

DENTAL CORPS

To be first lieutenant with rank from date of appointment

First Lt. Joseph Leroy Bernier, Dental Corps Reserve.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Gennad Alban Greaves, Field Artillery, with rank from August 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of Feb. 24), 1936

POSTMASTERS

ALASKA

Serena B. Pollock, Anchorage.

Otto H. Kulper, Cordova.

FLORIDA

Mary Joyner, Bagdad.

GEORGIA

Estelle Willis, Hardwick.

William W. Baldwin, Madison.

William T. Pilcher, Warrenton.

MINNESOTA

George Enblom, Atwater.

Obert M. Wammer, Badger.

Eric Lind, Chisago City.

Stephen Singer, Goodridge.

Henry Groth, Wright.

NEBRASKA

Emil Nelson, Minden.

NEW JERSEY

William P. Kern, Jersey City.

Walter F. Hoagland, Kenilworth.

Walter E. Riddle, Sayreville.

Frank T. Callahan, Swedesboro.

OHIO

Charles W. Zeller, Gibsonburg.

Valentine J. Meade, Harrison.

George W. Blessing, Jeffersonville.

SOUTH CAROLINA

Carrie R. Goodman, Clemson.

Malcolm J. Stanley, Hampton.

Murray S. McKinnon, Hartsville.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 20 (legislative day of Feb. 24), 1936

POSTMASTER

KANSAS

Henry J. Hibler to be postmaster at Neodesha, in the State of Kansas.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 20, 1936

The House met at 12 o'clock noon.

The Reverend W. Angie Smith, pastor, Mount Vernon Place Methodist Episcopal Church South, Washington, D. C., offered the following prayer:

Almighty God, our gracious Heavenly Father, creator of the heavens and the earth, the giver of all good and perfect gifts, we would unite our prayers this morning unto Thee, because unto Thee and Thee only do we look for strength, for inspiration, and for divine guidance. We would pray especially this morning for a unity of thought in this hour of need, while so many of our Nation are suffering from the ravages of flood and other disasters. Wilt Thou touch the heart of this our Nation and so create in the mind of each of us a desire to help, that our benevolent impulses may respond to the need of these our very own. We would pray this morn-

ing for these Thy servants, our Representatives, as they lead our Nation in the avenue of peace and toward prosperity, that our thoughts and our lives may be guarded and directed by that mind and that thought which alone comes from the throne of God. Bless each as an individual, and bless especially, our Heavenly Father, this very morning, our Nation and the nations of the world, and so guard and guide us in all of our activities until the kingdom of God shall come here upon earth, and that we may not only understand Thy will but with a new and a definite encouragement be able to say, "Thy will be done." Though we be divided by race and by color and different conceptions of Thee, may we all be united into one brotherhood of man under the fatherhood of God. Through the Redeemer, our Lord and our Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

TAX ON IMPORTED OIL

Mr. SANDERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDERS of Texas. Mr. Speaker, Texas this year is celebrating the one hundredth anniversary of her independence. Through the century which has passed, both Texas and Mexico have grown into closer relations of friendship and business interests. A common misfortune for which neither is to blame also unites them closely today. Both Texas and Mexico today are the victims of exploiters. Mexico's valuable petroleum resources are in a large degree controlled by foreign corporations who use them to dominate the markets in other lands, notably in the United States, while neither Mexico nor the Mexicans receive what they might consider the proper return for their petroleum products. Mexico has taken unusual steps to safeguard her petroleum reserves, even imposing an export duty upon oil, but foreign capital in Mexico is today using that oil in a way which damages both the Republic of Mexico, the State of Texas, and the domestic petroleum industry in the United States.

Today imported petroleum, much of which comes from Mexico, is directly affecting practically all the economic factors in my State. Due to the lower production cost of that imported petroleum, the price Texas receives for the product of one of Texas' greatest natural resources is held below its proper price level and the public revenues of the State itself, to which the petroleum is the heaviest contributor, are decreased as truly and as surely as though an armed enemy had invaded our borders and removed this sum from the treasury of the State.

The oil industry in Texas contributes over 50 percent of the public revenues. It holds under lease one-fourth of the acreage of the State. It contributes to farmers, landowners, and investors in royalties, rentals, and bonuses \$102,000,000. Its annual pay roll is approximately \$266,000,000, over 675,000 Texans being dependent upon it for their living.

This is the industry so vital to the prosperity and well-being of the sovereign State of Texas which is today handicapped and depressed by the invasion of cheap foreign oil. The importation of that oil is one of the reasons why Texas producers have been forced to curtail their production and were for a long time prevented from receiving anything approaching a reasonable price for their oil. Today, while the price of crude oil has advanced slightly, the expected and merited increase in price which all the other economic factors would justify is being prevented by the competition offered by this cheap oil from other lands.

Texas is the principal oil producing State in the Union. Within her borders lies the great east Texas field, one of the greatest, if not the very greatest, oil fields known. It has been estimated by competent geologists that this field, if opened up to its full producing potentiality, could for a time

produce many times as much oil as the entire world consumes, but neither is the east Texas field nor the State of Texas as a whole with its 52,300 producing oil wells permitted more than a fraction of its possible output. The market which might naturally be found by the Texas petroleum and its products is today being taken by the cheap foreign oil to the amount of over \$47,000,000 a year. Only a part of these imports pays any tax whatever to the Federal Government. Its low production costs make it possible for this oil to undersell any oil produced on a sound business basis in this country.

The resulting situation is that the amount of oil which the sovereign State of Texas can market profitably is actually determined by a foreign product. The number of Texans who can be given employment in the petroleum industry in this State is limited by the amount of foreign oil produced by cheap foreign labor which takes the place of the Texas product. The very revenues of our State are reduced since Texas business and Texas production must be held down because oil produced in other lands can undersell us in our own home markets.

The petroleum industry deserves well of the State of Texas. It has paid to the farmers of Texas \$54,533,000 in rentals and royalties during the year 1934, the latest for which statistics are available. It has leased from these same farmers 44,000,000 acres at an average of 40 cents per acre, bringing to the farmers \$17,600,000, or only \$1,000,000 less than the total amount of taxes levied on Texas farm property during 1934. It has invested in petroleum production \$1,310,000,000; \$70,000,000 in natural gasoline, \$309,600,000 in pipe lines and \$114,482,000 in marketing properties.

The Texas petroleum industry is building a future for the youth of this State. From that industry there comes the larger part of the support of public schools and universities. Two million acres of land in 19 counties in west Texas was set aside in the days of the Republic of Texas for the support of a university. With the discovery of the Big Lake oil field in Reagan County on university land, oil companies took leases on 279,000 acres of land belonging to the University of Texas, of which 12,320 acres are producing oil and gas. In the brief period since 1923, the discovery date of the Big Lake field, to August 1935, the permanent fund of the university has received in oil and gas royalties and in bonuses and rentals, \$21,500,000, while the current income of the university from royalties is \$675,000 a year, and \$60,000 a year from rentals.

Oil is today the most important industry in the State of Texas. Whatever interferes with the well-being of that industry immediately affects the business life of the entire State. With an investment of \$1,804,000,000, exclusive of refining interests, the State's income from this natural resource is nearly \$400,000,000 a year. Nearly one-fourth of the total area of the State, or 44,000,000 acres, are under oil leases today, the owners of this property receiving annually approximately \$15,000,000 from these leases, the total receipts of the owners, including bonuses and royalties as well as rentals, amounting to over \$100,000,000 every year.

Over 50 percent of the total taxes collected by the State government of Texas is derived from taxation of the products and the properties of the petroleum industry, of which \$31,640,000 was collected through the State gasoline tax.

In addition to an annual pay roll of \$150,000,000, the oil industry in Texas expends approximately \$200,000,000 a year for material and supplies and services.

Today Texas is cooperating with other States to control production in order to eliminate wasteful practices. Texas has not only passed legislation to enable the State to control petroleum production within its borders but was one of the leaders in obtaining the authority of Congress to set up the interstate oil compact by which various States may unite in coordinating their efforts in the prevention of wasteful production.

Texas in the year 1935 produced a total of 391,097,000 barrels of petroleum. That was the output for 365 days. A full-flow test made last year of key wells in the East Texas field showed that if the 17,000 wells in that area were permitted to produce without restraint, they would turn out 336,000,000 barrels of crude oil in a single day of 24 hours.

East Texas wells are not producing that amount, of course. They were limited through much of the year to 3.4 percent of 1 hour's potential flow. The oil industry in Texas, with some exceptions, approves of some degree of limitation in the interest of the conservation of natural resources, the prevention of waste, and the proper supply of domestic markets. But the oil industry in Texas does feel that since it has placed production limitations upon the oil wells of that State, the foreign product should not be admitted without regulation and without limitation of any kind. If it is proper that Texas wells should be shut in, it is equally proper that the foreign supply of oil shall be equally and proportionately shut in.

Because of this, I introduced on January 25, 1935, H. R. 4744 to increase the taxes on imported crude petroleum and gas and fuel oil from $\frac{1}{2}$ a cent to 1 cent a gallon; to add a tax of \$2 per ton on imported asphalt, to remove the limit on the oil import taxes, and to strike from the revenue act the exemption from tax of fuel oil imported as "supplies of vessels." That bill which is still before the Ways and Means Committee is in these respects identical with the bill introduced by the gentleman from Oklahoma who has added one very valuable item to his proposal, namely, the definite limitation of petroleum imports to a fixed proportion of the national demand.

All that has been done by and for the oil industry in Texas depends upon one uncertain element. The State is regulating its production. Through the Interstate Compact Commission, it is cooperating with other States who are likewise regulating their output of crude oil. So far as our own domestic production is concerned, Texas knows where it stands today and where it may stand in the coming months. However, the domestic supply of petroleum is not the only factor in the markets of the United States. All that Texas and the other oil States have done to prevent a wasteful oversupply with the breaking of the market and its harmful effect upon employment and business conditions in general, can be nullified at any time by the will of a half dozen men who make the decisions for those large companies now importing foreign oil. The self-restraint shown by the oil industry in Texas may be of no avail if these importers should decide that in any given period they will largely increase their imports. Texas after all is not independent.

Vitality important to my State and to the people of that State at large and not merely to the oil industry in Texas is the adoption of those policies which are set forth in my bill, H. R. 4744, and in the Disney oil import bill, H. R. 10483. The import taxes provided in those bills, while providing revenue for the Federal Government, will also make it possible for the oil industry in Texas to operate without incurring those tremendous losses which marked the years prior to our recent recovery. The definite limitation which the Disney bill sets upon imports will free the State of Texas as it will free all the oil States of the Union from that constant threat that all their efforts at stabilization and conservation may be made vain at any time by vastly increased imports. The statistics which have been made available to the industry show that these imports have been steadily increasing. Supposed to be held within the limits of the last 6 months of 1932, they have been exceeding those limits by great quantities. "Hot imports" are today as serious a danger to the economics of the petroleum industry as was ever "hot oil" in the days when Texas or Oklahoma or the other oil States were struggling with the task of working out a practical and equitable system of production regulation.

Texas will know a larger degree of independence if this oil import measure is passed. Then it will no longer have to dread an invasion by a foreign product which would threaten its markets. Then its public revenues would not be menaced by forced contributions levied upon the State by the importers of foreign oil. Then its industry and its workers would be free to transact business and to engage in their employment without the fear that foreign oil fields and foreign workers would dispossess them.

If this task could be accomplished by Texas alone, Texas would have done this by herself. If Texas were still a Republic, we would not today have to ask the Federal

Government to protect us against these invading shiploads of foreign products. Texas, however, was glad and proud to lay aside her status as a sovereign nation and enter the family of States in the Union. The powers with relation to foreign commerce we once possessed we transferred to the Federal Government. Now we are asking that Government to use these powers for our protection. We are not asking this as a favor. We are asking it as a right and as an act of justice. We are not demanding it, however, but we are pointing to the situation which exists and asking that it be cured.

We are not seeking unfair advantages. The good that will come to the State of Texas from this legislation will come also to the other oil States of the Union. If this legislation should profit Texas more than it profits some of the other oil States, then it is merely because Texas is larger and because the known reservoirs of oil in Texas are greater. The good which will come from this legislation will not be limited either to Texas or even to all the oil-producing States. Instead it will act as a guaranty that this industry, which was the first to show signs of recovery and which has made remarkable contributions to the restoration of prosperity, will continue to make its contributions of countless millions of dollars to the workers, the farmers, the land-owners, and the investors of the Nation.

PERMISSION TO ADDRESS THE HOUSE

Mr. Sisson. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Mr. Speaker, I received in yesterday morning's mail 37 letters, of which the letter I hold in my hand is an exact copy. This is just one of the letters which I received. They were all written from the city of Utica, N. Y., one of the cities in my congressional district, and refer to a given piece of legislation which is now pending either in committee or in the House. The exact status of the legislation I do not know. I want to say, as a matter of fairness, that I have not made up my mind or formed any opinion as to whether I shall vote for or against the bill when it comes on the floor for consideration.

Mr. Speaker, I am taking this time not in an effort to do anything against the bill or for the bill, but because I believe this is a particular form of propaganda which is subversive of good citizenship. These letters were all written on the same typewriter. That is, the envelopes were addressed by the same typewriter. The letter itself is mimeographed and evidently all of the letters were signed by the same person. The names attached to these various letters are employees, most of them young girls, in a certain store, one of the chain stores in the city of Utica. I am going to give the name of this store so that no other chain-store organization will be under unjust suspicion. The name of the store is Neisner's.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. Sisson. I yield to the gentleman from Minnestota.

Mr. CHRISTIANSON. To what legislation does the correspondence refer?

Mr. Sisson. These letters refer to the so-called Robinson-Patman or Utterback bill, and I am asked to vote against the bill.

Mr. Speaker, I ask unanimous consent to insert this particular letter in the RECORD, leaving off the signer of the letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Mr. Speaker, my objection to this is not that it will influence me either to vote for the bill or against the bill, because finally I hope I will be just enough to size up the bill on its merits when it comes before the Members of the House for consideration. I think it is improper and unfair for an employer to compel, as evidently this employer has, these girls, who are overworked and underpaid, to sign such letters and send them to Congressmen at the pains probably of losing their jobs.

Mr. Speaker, the letter referred to is as follows:

FRED J. Sisson,

Congressman, Washington, D. C.

DEAR SIR: I protest against the provisions of the Robinson-Patman bill, as I am of the opinion that this bill will tend to raise prices and will be to the disadvantage of the consuming public. I therefore would appreciate your negative vote on this bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, yesterday I introduced in this House a bill appropriating \$50,000,000 for the relief of the flood victims. I plead with the membership of this House to take immediate action on this bill.

I ask this not only for the city of Pittsburgh and for a large part of the State of Pennsylvania, which today is crippled and devastated, but for every community and area which has been overwhelmed in the past few days by one of the greatest disasters in our Nation's history.

We cannot delay. As the flood waters slowly recede, the still greater dangers of pestilence, plague, and famine stalk every stricken area.

No words of mine can adequately bring to you the picture of distress and fear, of desolation and want, which face our people. I saw it in my own district up until 2 days ago. I am going back today to do whatever I can to help.

I want to go back there and tell my people that the Federal Government will recognize their need and is going to help. I want to take to them a message of hope.

I ask the Members of the House to make this possible.

We are faced with a national disaster, and the relief must be national. It is the responsibility of this body to provide full and adequate relief and to avert the dangers which still impede.

The heart of this Nation has always been quick to respond to calls for aid. Even when the call came from far-off China this Congress responded. Can we deny the needs of our very own when it has been the traditional policy of the Congress to extend aid in cases of national disaster?

Mr. Speaker, 2 years ago, when a great drought struck another great section of the country, we all worked shoulder to shoulder and swiftly gave the necessary financial aid. We of the East came to the help of the West because we recognized that the concern was as much ours as yours. Today the East is just as terribly stricken, and now the East and West, North and South must make common cause against a great natural enemy.

I hope, Mr. Speaker, the Committee on Appropriations will speedily report out this bill and that the House and Senate will enact it.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. CHRISTIANSON. I understand there is about \$6,000,000 of unexpended balances in the so-called emergency appropriations in the hands of the President. Has the gentleman tried to ascertain whether or not the amount needed for relief in the city of Pittsburgh and elsewhere could be taken from these funds?

Mr. ELLENBOGEN. I have; and the information I get is to the effect that it will probably not be possible to appropriate the money for the type of relief that is needed in the flood areas.

Mr. CHRISTIANSON. It would be a very simple matter for the Congress to so amend that act as to make the money that is now in the hands of the President available for this purpose.

Mr. ELLENBOGEN. I shall be very pleased if the House should see fit to amend that bill so as to provide the necessary relief funds in that way.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. DUNN of Pennsylvania. Did I understand the gentleman to state that he has introduced a bill asking for \$50,000,000?

Mr. ELLENBOGEN. Yes.

Mr. DUNN of Pennsylvania. That will be insufficient to take care of the situation. I have introduced one asking for \$1,000,000,000 and this will not even begin to take care of it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. RICH. I may say to my colleague from Pennsylvania that the West Branch Valley of the Susquehanna River, including the cities of Renovo, Lock Haven, Jersey Shore, Williamsport, Muncy, and Montgomery, has had a flood 2 feet higher than the great flood of 1889 and the conditions in the west branch of the Susquehanna River are very bad at the present time. Relief for the homeless and poor is imperative at once.

Mr. ELLENBOGEN. I am very pleased to have the help of my distinguished colleague from Pennsylvania.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield so that I may ask the gentleman from Pennsylvania [Mr. RICH] a question?

Mr. ELLENBOGEN. I yield.

Mr. BANKHEAD. Is the gentleman from Pennsylvania favoring an appropriation for this purpose?

Mr. RICH. In a case of absolute need of this kind, nobody in the House of Representatives would be more desirous of voting funds for the relief of such needs. I always have done this and I always will.

Mr. BANKHEAD. I am very pleased to hear the gentleman make that statement, because he has been very critical of other appropriations for relief, and I am asking him, "Where are you going to get the money." [Laughter.]

Mr. RICH. We can get money for purposes of this kind and we should save money when it comes to things that are unnecessary, like many of the ridiculous bills passed during this session of Congress.

[Here the gavel fell.]

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, I believe every Member of Congress knows there is a great deal of suffering going on in the United States because of the terrible floods, and I am convinced beyond any doubt that every man here is willing to do his utmost to alleviate the suffering of the people of our country.

Mr. Speaker, I have introduced a joint resolution, and I ask unanimous consent that the Clerk may be permitted to read it in my time.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Joint resolution to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country

Whereas within the past 10 days hundreds of thousands of people in the United States and its possessions have been made homeless because of the terrible floods and fires; and

Whereas billions of dollars' worth of property damage has been caused by floods and fires; and

Whereas hundreds of thousands of men, women, and children are homeless because of these floods and fires; and

Whereas an epidemic of disease has already started in many of the stricken areas and will spread throughout the country unless something is done immediately to prevent it; and

Whereas the human suffering cannot be measured by dollars and cents: Therefore be it

Resolved (if the Senate concurs in this resolution), That the President of the United States shall be empowered to take from the Treasury Department a billion dollars, or more if necessary, to provide food, shelter, clothing, medical aid, and other necessities for the immediate relief of the suffering people of our country; and be it further

Resolved, That the President of the United States shall be empowered to loan money to the people to recondition their homes, and also to people whose business establishments have been damaged by the floods and fires; and be it further

Resolved, That not more than 1 percent interest shall be charged to any person borrowing this money; and be it further

Resolved, That the President of the United States shall do whatever he believes is essential to carry out the provisions of this resolution.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes, so that I may ask him a question.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, is the gentleman from Pennsylvania requesting 2 additional minutes?

Mr. DUNN of Pennsylvania. I will try to answer his question in 1 minute.

Mr. KNUTSON. Would the gentleman support an amendment to direct the money to be turned over to the Red Cross so as to obviate all the large overhead costs of administration?

Mr. DUNN of Pennsylvania. It is not necessary to spend gigantic sums of money for overhead expenses when there is an emergency. Many people would be willing to give their services gratis at a time like this, and I believe that the President would do his utmost to see that the money goes for relief purposes.

Mr. KNUTSON. My guess is that only the Republicans would give their services gratis.

Mr. DUNN of Pennsylvania. There are many Republicans in the flood area and we should help them too. [Applause.]

[Here the gavel fell.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The Chair thinks that such a request should be submitted subject to the special order of the House that has been previously granted.

The gentleman from Michigan asks unanimous consent that at the conclusion of the special order for today he may be permitted to address the House for 10 minutes. Is there objection?

There was no objection.

ENTERTAINMENT OF DOUGHBOYS IN THE TRENCHES

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some interesting remarks recently made by our colleague the gentleman from Massachusetts [Mr. CONNERY] before the Library Committee.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, having been granted unanimous consent to extend my remarks, I insert excerpts before the Committee on the Library by Hon. WILLIAM P. CONNERY, Jr., Representative in Congress from the State of Massachusetts:

Mr. CONNERY. You spoke, Congressman TREADWAY, about Elsie Janis and her fine work in France. That was true. I do not say this in a sense of egotism but just talking to answer these questions in my own way. I was a private in A Company, One Hundred and First Infantry. We would go into the trenches 5 days and when we came out for a few days nothing so cheered us up and revived us as the entertainments which have been spoken of. I should say first here that I was 29 years old when I enlisted. When we were going over to France on the *Henry R. Mallory*, a fruit steamer, I used to watch those men. I said, "Here is a lot of young fellows; they are apparently happy and carefree. They don't know what they are going up against. They think war is a laugh. They are thrilled by the glory of war. I had read all about it during those 4 years of the war before we entered the war. But when we got over to France I saw the change. I saw these happy boys become careworn men. When they were in the trenches and attacked by the Germans and saw their comrades killed, saw them gassed and maimed, slept in the filth of the dugouts, tortured by the cooties and the rats, the bursting shells, the shrieking of shrapnel, it is a wonder to me now that any of us who heard those Austrian 88's bursting in the air would ever have any nerves left in our bodies.

When we would come out of the trenches, Father O'Connor, who was the Catholic chaplain, and Rev. Lyman Rollins, who was the Protestant chaplain, of our regiment, the One Hundred and First Infantry of the Twenty-sixth Division, which division served longer in the front-line trenches than any division in the A. E. F.—that is why President Wilson had Christmas dinner in 1918 with and reviewed the Twenty-sixth Division when he came over to France, the chaplains would say "Billy, will you put on a show?"

We would go down to the little Y. M. C. A. or K. of C. or Salvation Army hut and I would arrange a program. We would get some of G Company and some of D Company or F or M or any other company who were piano players and others would sing solos or recite and we would put on comedy skits. I would look over those men with their heads down and hearts made heavy by their experience in the trenches. Their morale was way down. We would put on those little shows and we would see their faces brighten up and when they would go back to their dugouts that night to sleep there was an entirely different feeling in the atmosphere of the "gang."

Then it was I had the glorious experience which to me will be the pleasantest memory of my life, that, having been on the stage for 10 years and having a little faculty of entertaining, telling them stories and putting on the little skits for them I was able to cheer them up at such a time. To me that is the greatest joy I have ever had in my life, to see those faces light up and to see their countenances brighten and hear their hearty laughter. And later when I was evacuated to the hospital from the Argonne front, telling the stories to the gangs in the hospital around me is a happy remembrance.

Mr. Chairman, I have had the privilege of singing songs and telling stories to men who within a short half hour afterward were dead on the field of battle. I have sung and told funny—I hope—stories to men with shattered bodies in the field hospitals just back of the lines when I felt I could hardly talk with the lump in my throat as I looked at them.

I have stood in a boxing ring with an audience of three or four thousand soldiers and sang and presented a minstrel show while German shells whizzing high over our heads added their shrill whistle to the music of the band. During a cessation of the day's attack during the 18th of July, Aisne Marne drive, I can remember rustling up boxes and bacon cans to present a minstrel circle in the woods outside the shell-torn village of Vaux. I can still see the picture of a Sunday afternoon in the St. Mihiel sector as I stood before a group of two or three hundred muddy, dirty, fighting doughboys and watched them laugh as I sang a parody on the song Giddy Giddap Giddap, depicting the woes of a private's life in the Army. In the trenches, out of the trenches, in camp, in the snow, in the mud, in the night, on the hikes, day in and day out for 19 months I learned to my amazement what music means to a fighting man, what laughter means to morale, and that is why I have told you some of my own experiences entertaining my buddies, so that I can bring out most forcibly what George M. Cohan did for the entire A. E. F. when he wrote *Over There*.

Mr. TREADWAY. I am sure our chairman, Mr. KELLER, would be delighted to hear one of the French stories. You are making a most interesting statement. Just tell us one of those stories by way of illustration of the way you entertained our soldier boys.

Mr. CONNERY. I was in the hospital at Autleul, on the race course outside of Paris. That was after the Aisne Marne offensive. They had a hospital right there on the race course, and when I was convalescent they let me go down town. I came to a great big square where a monument to the Bastille is located. I saw an American soldier doing traffic duty probably to direct our own Army vehicles. I went over to talk to him and found out his name was McCarthy and that he came from New York City. While talking to him suddenly a big limousine came tearing out of a side street and nearly knocked the pair of us down. By the way, if you knock a man down with an automobile in Paris they arrest the man who was knocked down for obstructing traffic. McCarthy pulled the French chauffeur down off the automobile, and they had a very spirited argument. The Frenchman could not speak a word of English and McCarthy could not speak a word of French, so this is the way the argument sounded: "Eh bien, monsieur. Je vous dis, que je suis le meilleur juge de cette machine. C'est moi qui l'a batie, n'est-ce-pas? J'attachai ce fil de fer dans un moment et je continuerai sur mon chemin. Cette machine fut batie ici en France! Moi, je suis francais mais vous, vous etes un Americain! Qu'est-ce que vous savez des machines francaises? Rien! Absolument rien!"

McCarthy looked at the Frenchman and said, "You are a damn liar. The marines won the war." [Laughter.] I need hardly state that McCarthy was a marine.

We had an old mess sergeant named Tom Dooley. I do not know how old Tom was; he must have been at least 50 years of age. I do not know how he managed to stay in the service. When we were in a little village called Blenod les toul, Tom wanted to get a drink. He knew very little French, but he knew that "avez-vous" meant "have you", and he knew what "bon jour" meant. He undertook, in his Irish brogue, to tell in French the old lady in charge what he wanted. He said "Bon jour, Madam." She said, "Bon jour, Monsieur." He said "Avez-vous, avez-vous, have you any champagne in the house?" She said, "Il n'y en a plus", meaning "there is no more." Then he said "Now, my good woman, avez-vous, avez-vous, have you any vin rouge or vin blanc or whatever in hell you have good to drink, I'd be glad to have some." She said, "Il n'y en a plus." Tom said, "Well, glory be to St. Patrick, give me a bottle of alley-ploo."

Mr. TREADWAY. Those are the things you were telling the boys?

Mr. CONNERY. Yes; and making up parodies about the officers. It is a wonder I was not court-martialed. I used to tell stories and sing parodies about the majors, colonels, and generals right to their faces. It is a wonder I was not put in the jug many a time, but they were good-natured.

That is the glory, to me personally. When I get to be an old man I expect that will be the greatest thing in my life, to look back and see that I was able to cheer up those fellows a bit.

I got a letter from a woman whose boy died alongside of me in the hospital. I got that letter after he died, about 2 months afterward, and she told me that the last letter she had gotten from her boy was one telling her I had sung for him the comic Irish song, *What Could You Expect of a Man Named McCarthy?* He had written her, she said, such a winning letter about the enjoyment he had in his bed alongside this fellow from Massachusetts. I cried when I read that letter. The point I bring out is, that was joy enough for me.

Elsie Janis did wonderful work in France. It was marvelous. She came out to the front line and sang to the boys and was the idol of our soldiers there.

Mr. TREADWAY. Did you ever join with her in those entertainments?

Mr. CONNERY. No; I will tell you. Elsie Janis came out to entertain the One Hundred and First Infantry when we had just come out of the line for a few days, and were at Aulnois, in the Toul sector, and in the middle of her entertainment she said, "Now, is there not somebody in your regiment who can entertain me? If there is, stand up and sing a song or tell some stories." The gang shouted, "Where is BILL CONNERY?" and it made it very embarrassing for me later, because I was A. W. O. L. over in Toul for 2 nights to get some squash pie. I had not had a piece of pie since I had left the United States almost a year before. I heard that Joe McInerney, a K. of C. secretary from Lynn, was in Toul, so I went over there A. W. O. L., and he fed me squash pie. I ate four squash pies that day at one sitting. So I didn't see Elsie at all. I was more than disappointed, because we all thought that she was great. So when I came back, Captain Murphy, the adjutant of the regiment, said, "Where in the hell were you? We were looking for you. Did you have a pass?" I said, "No; I went over to get some squash pie in Toul", and he said, "Where did you get the pie?" I told him and he said, "Well, I'll let you off this time." He let me off because he knew I'd fix him up later for some pie with Joe Mac, which I did. So there is my experience of missing seeing Elsie Janis.

There is one thing I forgot to mention. The first thing in the mind of any man in any regiment of the American Expeditionary Forces coming out of the trenches was—what do you think? First it was food; then a smoke, and then it was "Where is the band?" "Give us the band." They wanted music. They wanted their morale lifted up. I saw that so many times on all of the fronts. In the little French villages I saw these men up on the top of French huts, and on stone walls, and lying on the ground listening to the band; I saw them coming from all sections. It did something big for them; it built up their morale.

I want to apologize for being so long in my statement, but with the feeling of friendship that I have for George Cohan, when I get to talking about his life and work it is not easy to stop.

Mr. TREADWAY. You have not only talked about George Cohan, but you have given us a very interesting side picture of things which some of us were never privileged to see and experience, and I appreciate your statement very much. Mr. Chairman, I would ask the privilege, with the consent of the committee, of having a copy made for our own use of the description that Mr. CONNERY has given us of his experiences in the entertainment line among his buddies overseas. He certainly contributed to the pleasure and maintenance of morale.

GEN. HIGINIO ALVAREZ

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I enclose a report concerning the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona. The report requests that the Congress authorize an appropriation of \$20,000 to settle this claim.

I recommend that the Congress authorize an appropriation of \$20,000 to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

NINTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The SPEAKER laid before the House the following further message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of \$11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy

to convene in Rumania in 1937, and authorizing and requesting the President to extend an invitation to the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939, and to invite foreign governments to participate in that congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

The SPEAKER. Under the special order the Chair recognizes the gentleman from Oklahoma [Mr. ROGERS] for 10 minutes.

THE STORY OF P. W. A.

Mr. ROGERS of Oklahoma. Mr. Speaker, 3 years have elapsed since President Roosevelt, mustering all forces of government to curb an economic disease which had reached epidemic proportions, planned America's first national public-works program. When the Congress, acting on his recommendation, established the Public Works Administration the national economy was indeed a grievously sick patient, lying in a deep coma, resisting all attempts to awaken it with formulas of optimism, with words of good cheer.

A crisis was imminent when P. W. A. and a group of new specialists were summoned to the bedside. They prescribed definite forms of treatment for the sick economy, spurning the discredited incantations of those faith healers who had been promising the patient that "confidence" alone would assure his recovery.

The Nation had faith in these new physicians, and the last 3 years have proven conclusively that that faith was not misplaced. The salutary effects of public-works treatment have long been felt, and the fact that the patient is now well on the way to recovery is due in no small measure to the sound, vigorous treatment which P. W. A. prescribed.

This first practical application of the theory of public works, which had long been contemplated favorably by economists, had two major objectives: The creation of useful work at equitable wages to relieve unemployment and the establishment of sorely needed improvements in the equipment of those services and facilities furnished the American people by its Federal, State, and municipal governments. The first objective of this new economic prescription was rapidly realized. Allocations of some \$4,000,000,000 for public works materially reduced unemployment. The P. W. A. program provided work for hundreds of thousands of workers in the construction of projects, instigated a revival in the capital-goods industries through orders calling for the production, fabrication, and transportation of vast quantities of materials necessary for P. W. A. undertakings, and made its influence profoundly felt throughout the entire business structure by expanding vigorously the national buying power and creating a proportionate increase in the demand for consumers' goods. [Applause.]

In examining the recovering patient, observers have noted the beneficial results of P. W. A. treatment. Statisticians early this year estimated that P. W. A. had bolstered the national economy by providing approximately 10,300,000 man-months of employment in actual construction operations. Conservative economists are in agreement that direct employment creates at least the same amount of primary indirect employment in quarries, mines, and forests, in mills and factories, in transportation, and in all of those industries supplying raw and finished materials and transporting them to construction sites. Estimates of some statisticians run as high as five jobs created in indirect employment by every job in construction. Admittedly difficult of measurement is the effect of direct and primary indirect employment on those industries and professions satisfying the demand for consumers' goods and services. However, expanded pay rolls boost the national buying power and re-create a market for those commodities and services which a depression-pinched public has been denied in whole or in part. Statisticians believe that a fair figure in estimating the amount of secondary indirect employment resulting from the P. W. A. program would be 20,600,000 man-months of employment, a figure equal to the most conservative estimate of the total employment provided in P. W. A. construction and in supplying the materials for its program.

It might be recalled here that this first public-works program was concerned not only with putting men to work but with maintaining those high wage standards for which American labor had battled so long and so vigorously. To safeguard these wage standards so laboriously achieved, P. W. A. in all of its undertakings paid its workers the prevailing wage rate. P. W. A. not only maintained the high wage scales of which America is justly proud, but it sustained the morale of the American workmen by providing them with employment on undertakings of unquestioned social value.

It is this second objective of the P. W. A. program whose beneficial effects will be felt long after our unemployment crisis has passed and the great depression of the thirties is but a memory. Few of the many valiant attempts to break the depression will be remembered as long as that of P. W. A., because few of the emergency agencies created to speed the way to business recovery have so profoundly affected the future of the country.

Embracing every State, taking in 3,067 of the 3,073 counties in the country, reaching out into distant territories and possessions, P. W. A. has constructed some 23,700 projects to provide definite lasting services to the communities in which they were established. These undertakings, while byproducts of a plan to meet a national emergency, were designed to fill long-recognized social needs whose fulfillment had been delayed only by the lack of necessary funds. Built in time of an emergency, they became distinctive, enduring additions to America's national wealth. Practically every sizable community in the United States shared in the dual benefits of this program. The immediate need of providing employment of jobless workers was met, and men given work either in the construction of a project or in supplying materials for the undertaking. Beyond that the community gained a substantial, durable addition to its civic assets in the form of new utilities, new schools, or other establishments for public service. The stories of many of these undertakings are known to every schoolboy, to every newspaper reader in the land. The great dams in the West—Boulder, Fort Peck, Grand Coulee, and Bonneville—completed or inaugurated with public-works funds, have impressed the entire country by their magnitude and by their promise of service to hundreds of thousands of our people, but the significance of Boulder Dam is no greater than that of the smallest cross-roads schoolhouse, than the least pretentious water system constructed by P. W. A.

The provision of modern educational facilities for a half hundred farmers' children may definitely alter the course of their lives. The establishment of a pure-water supply to a community, which had lived in the constant dread of water-borne sickness, has its beneficial effect on public health more limited than that of the great dams in the number of individuals benefited, but of no less importance to the people of the community served.

In addition to financing some 15,500 undertakings of departments of the Federal Government, P. W. A. provided funds for and directed the construction of more than 8,000 projects proposed by States and lesser governmental bodies. The success of the program, the widespread acclaim that has attended the progress of P. W. A., was due in no small part to the fact that all of these non-Federal undertakings were initiated by the communities benefiting from them; and in each instance the people of the community backed their selection with hard cash by deciding to assess themselves locally for the major part of cost of the P. W. A. improvement. This automatically brought projects of unchallenged worth into the program, for P. W. A. undertook no work which did not enjoy complete local backing. No distant board or commission decided arbitrarily that such and such an improvement was needed by a community; the community itself, which was naturally in a position to know best its own needs, proposed the project and received Federal Government aid in carrying it out.

In non-Federal construction P. W. A. has financed some 2,800 utility projects—sewer and water systems, gas plants and electric-power systems, and waste-disposal plants. It has constructed upward of 3,000 educational buildings, spreading

its funds for the establishment of necessary improvements in elementary and secondary schools, in colleges and universities, in libraries, and other educational institutions. The treatment of State and city wards has been substantially advanced. More than 350 hospitals and homes for the care of the sick, the insane, and the aged have been built and equipped in accordance with the standards of modern institutional practice. Nearly 1,000 undertakings, looking toward the improvement of transportation and the provision of further safeguards against accidents, have been financed with P. W. A. allocations. In addition to vast sums made available for a Federal road-building program, P. W. A. has provided funds for streets and highways, for grade separations, for viaducts and bridges, and for many other types of traffic improvements, ranging from the great Triborough Bridge and the Mid-Town Hudson Tunnel in New York to the grading of streets in small rural communities.

All of these undertakings stand as monuments on a battlefield which witnessed the rout of a major industrial depression by the agencies of a planned economy. They have fulfilled their major objective in creating 3 years' work for 3,000,000 jobless Americans. They have demonstrated the value of public works in a campaign against hostile economic forces and have shown an effective line of attack to be followed against depressions of the future. Built first as fortresses in a war against unemployment, they remain not merely as ornamental monuments of the P. W. A. program but as implements of service to the people of our own and future generations. [Applause.]

Mr. LAMBETH. Will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. LAMBETH. I simply wish to say that I have listened with great interest to the gentleman's remarks. In the State of North Carolina the P. W. A. has been efficiently and economically managed. I regret it has received such a small share of the current appropriation for recovery and relief. When the new bill for the relief of unemployment comes in, I hope it will contain a definite sum for the P. W. A.

Mr. ROGERS of Oklahoma. I thank the gentleman for his contribution.

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. RABAUT] for 10 minutes.

Mr. RABAUT. Mr. Speaker, ladies and gentlemen of the House, much has been said from the well of this House concerning the reciprocal-trade agreement between the United States and Canada. Most of that which has been said has come from those across the aisle and many of the comments have been in opposition to the agreement in force since January 1 of this year. But what has been the comment in the editorial columns of the leading newspapers in the 48 States as to this trade agreement? It is shown from a study of editorials that the trade agreement between the United States and Canada has received the wholehearted commendation from all sections of the country. A survey made by the National Committee for Reciprocal Trade shows that from a total of 356 daily newspapers stepping into the field of comment editorially on this subject that 286 have commented most favorably upon this trade agreement and these newspapers, as I said previously, are daily papers which have without reservation endorsed the program, and among them are some with the largest circulation in Alabama, Arkansas, Delaware, Florida, Georgia, Iowa, Kentucky, Maine, Maryland, Michigan, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Wisconsin, and the District of Columbia. A majority of the press in small towns of the United States likewise endorse the Canadian pact. Local and national gains are foreseen in New England, the middle Atlantic States, the South, and the leading agricultural States of the Middle West and West. The digest on this subject reveals that the revision of trade bearers under reciprocal-trade agreements are receiving editorially the widest comment. And who is there but taking a broad view of the question will not, at once, realize that it is impossible to live behind the wall of seclusion?

At this point, Mr. Speaker, I ask unanimous consent to insert in my remarks editorial comment from the Times, Tacoma, Wash., and the Record, of Philadelphia.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, we are not permitted to put newspaper editorials in the RECORD, as the gentleman knows, and I will have to object.

Mr. RABAUT. Well, here is about what they say:

For years international trade has been dammed behind high tariff walls. That was bad because it increased prices of everything "protected" by tariff; prevented exports of surpluses and so reduced the national income; left transportation services without much to do. The whole world will be better off with a general lowering of the bars and a freer flow of products. (Times, Tacoma, Wash.)

It's hard to pull a tariff wall down because special interests cry "ruin" and the great mass of consumers who benefit are hard to mobilize. * * * Making this move in a world where trade is being strangled in a net of tariff and trade regulations is another major step toward recovery. (Record, Philadelphia, Pa.)

Who is there to deny the great benefits accruing to the automotive industry? Where is one so selfish as to fail to recognize the far-reaching benefits of employment created by the existence of the automotive industry, for it reaches into every nook and corner of the land? Indirectly it is the cause of the good roads that the farmers enjoy throughout the States of the Nation. The product of the industry has stepped into the very existence of our every activity, for we find the doctor upon the highway in his small car rushing to bring the pink infant into the world. We find the child of today in all kinds of weather being hurried to school along the highways of the country in the school busses of the land, and into the ramification of business we find it at every nook and turn. Truly the automotive industry and its product has been the modern blessing of America.

I come from Detroit, the city that cradled the automobile. I come from that city that beckoned to geniuses of the Nation to give to an awaiting public the perfect transportation it enjoys today. I said a moment ago who would deny the comeback that is now being enjoyed by the automotive industry, and the reciprocal-trade agreements will add further to its climbing of the ladder to its former position of supremacy.

MOTOR INDUSTRY A GREAT BENEFIT TO ENTIRE COUNTRY

The extent to which the increasing prosperity of the motor industry is benefiting the entire country is best illustrated and made known by a survey of the materials which go into the manufacture of the automotive product. For the industry uses 75 percent of rubber imports, 70 percent of all plate glass manufactured, 57 percent of all malleable iron, 40 percent of the supply of leather for upholstering purposes, 40 percent of all mohair made, 40 percent of all lead, 30 percent of the nickel consumed, 20 percent of the American steel output, 15 percent of all aluminum, 13 percent of the Nation's cast iron, 13 percent of the country's tin, and 12 percent of the zinc output.

The automotive industry over and above this purchases yearly, I wish you gentlemen from the South in the cotton-growing States would listen to me now, 500,000 bales of cotton; and you who are interested in the pigment industry or paint manufacturing, 10,000,000 gallons of paint, 13,000,000 yards of upholstery cloth, 35,000,000 pounds of hair and padding, and while a car advancing in age takes on wrinkled fenders and antiquated form, and becomes the worse for wear, and is referred to in the vernacular of the streets as a hunk of tin, nevertheless the industry still consumes 500,000,000 board feet of lumber. Over and above that, the purchasers of automobiles step into the oil and gas business to the tune of 460,000,000 gallons of lubricating oil and 15,300,000,000 gallons of gasoline.

But, ladies and gentlemen of the House, this is only the beginning. Let us be mindful now for a moment of the benefit of the automotive industry to the shipping interests of the Nation, to the storage houses, to the processors and the handling charges, to the building industry forced from time to time to make expansions all over the Nation from the small one-car garage, the gas stations, the superstations in our great cities, the showrooms, garages, and factories. Further, consider the ribbons of concrete, the network of prepared roads, the widening of city thoroughfares, the re-

construction of building resulting from such widening, the electrical equipment commonly referred to as the stop-light system, and the augmentation of police personnel demanded for safe traffic regulation. Think of the clerical force that has entered into the giant industry, and I wonder what the effect of the buying power of this stupendous manpower is upon the agricultural market. There can be no doubt but that the come-back of this industry is a godsend to the Nation. Oh, it is true, Mr. Speaker. And here I wish to quote from the Milwaukee Journal:

Our high rates against Canada have not helped us but hurt us. No one speaks of the tariff of 1930 as having accomplished any good for the farmer or anyone else. * * * It brought reprisals from all over the world and deepened the depression. * * * The tariffs have not worked for the farmer, as we have heard from every farmers' gathering since the war. * * * The effort to revive trade is to be praised. We are facing the facts; we used to think we could have it both ways—put on high rates and not have our exports cut down. We have found that this barring out of the other fellow's goods is a game two can play at. Therefore we cut down restrictions to trade which have hurt both countries. Here is a blow struck at one of the causes of world depression.

Mr. RICH. Will the gentleman yield?

Mr. RABAUT. No; I cannot yield. I am sorry the gentleman from Pennsylvania has refused consent to put these small newspaper comments in my remarks. It shows the Nation-wide comment on the principle of reciprocal-trade agreements and what they mean to this country. I was anxious for the purpose of conserving time that they be inserted rather than read.

In speaking with members of the Department of Commerce I had occasion to mention that I came from Detroit, and how quick they were to say how the unemployment problem of the Nation would pass from existence like a snowball in the noonday's summer sun were we but to find a new industry to parallel that of the automotive manufacturers. Not an industry of a competitive nature but one bringing forward something new, something appealing, something offering additional comfort, first, perhaps, to be regarded as a luxury, but finally to be accepted as a necessity to American advancement. That is what America craves; that is what America needs. My statement should be convincing to you Representatives from various parts of the Nation, causing recognition of the paramount place that the automotive industry holds in the commerce and trade of our country. And in the spirit that has dominated the industries I wish to say that the more your district receives from it the happier we are, for we wish a broad recovery and desire to be similarly considered by you in your attitude toward the reciprocal-trade agreements.

And what does the New York Times say on this point?—

The reciprocal trade treaty between the United States and Canada is the greatest single step toward the reduction of tariff barriers and away from economic nationalism that has been taken anywhere since the onset of the depression. As such it is not only a fine achievement in itself but a hopeful augury of a wider restoration of international trade and sanity. * * * There is no doubt that special interests, and those who shiver at the very word "imports", will attack this treaty. They began to do so even before they knew its terms. But if they get a serious hearing, it will only be because they succeed in distracting attention from the effects of the treaty as a whole. * * * Imports from Canada dropped from \$503,000,000 in 1929 to \$232,000,000 in 1934, or 54 percent. Exports from the United States to Canada dropped from \$899,000,000 in 1929 to \$302,000,000 in 1934, or 63 percent. The new treaty will help producers on both sides of the border to win back at least a substantial part of this lost trade.

And the Post, of New York, puts it in a manner to bring it forcibly home to us:

What would you think of a merchant who prepared for hard times by deliberately antagonizing his best customer? That is what the United States did in 1930. * * * With the depression already under way * * * the tariff bill drastically reduced American business with Canada, our best customer. * * * The decline in our sales to Canada was greater than the decline in our purchases from Canada. The Hawley-Smoot tariff and its aftermath was a disastrous demonstration of economic folly. It taught us that we cannot sell abroad unless we also buy abroad.

Mr. HARLAN. Mr. Speaker, I ask unanimous consent that the gentleman have 5 additional minutes. I should like to ask him a question pertaining to the automobile industry.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. If the gentleman would extend his time a few minutes more, then I should like to ask him a question in reference to the importation of farm products.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. I would be glad to permit the gentleman to ask me some questions, providing he permits me to insert certain editorials into my remarks.

Mr. RICH. Mr. Speaker, I have no right to permit the gentleman to do that.

Mr. RABAUT. The gentleman himself made the objection.

Mr. RICH. But it is contrary to the rules.

Mr. RABAUT. For need I recall to Members from the agricultural districts that the workers in the automotive industry are the brothers in toil of the farmers of the several States; need it be for me to tell how many of these sons of toil lost their all in the depression, how the high barriers of protective tariff forced the manufacturers to establish factories in countries across the sea because of retaliatory measures resorted to by nations affected, resulting from the narrowness of our own protective policy and who suffered in the entire transaction—none other than the American workman of the industry, who finally recognized the fact that his workbench had been exiled across the sea. His job was gone, but the reciprocal-trade agreements are again tearing down the barriers and opening the avenues to world trade for the automotive industry; and the artisans, mechanics, and workers in the industry will not be unmindful of this helpful activity and sincere cooperation to assist both the industry and labor by the whole-hearted action of a Democratic administration.

At this time, Mr. Speaker, I wish to voice my deep appreciation as a Democratic Member of Congress to the Detroit News and to the able pen of that distinguished correspondent, Mr. Blair Moody, who in a series of articles brought forcibly to the readers of Michigan the Secretary of State's campaign to recapture American foreign trade by the reciprocal-trade agreements.

TARIFF-BARRIER PROVES LOSS TO MICHIGAN—RECIPROCAL-TRADE AGREEMENTS WILL BE A BLESSING

Michigan's export trade in 1929 was \$355,300,000, by 1932 this volume had fallen to \$48,933,000, a decline of 86.2 percent. The 1929 export trade reported \$73 for each of Michigan's 4,842,000 population. The loss of the difference, namely, \$306,367,000, comparing 1932 with 1929, meant a loss to each inhabitant of the State of \$63. This drastic decline in export trade meant rigid curtailment in production. Increased unemployment dwarfed purchasing power and of necessity decreased consumption of agricultural products in the domestic market. The tie-up of agriculture and industry by this statement is brought forcibly to our attention. The trade agreement, on the other hand, will open up into every section of the country opportunity for both agriculture and industry so interdependent upon each other, and it is to be hoped that Michigan's domestic market, which absorbs the greater part of its products, will likewise take automobiles, prepared foodstuffs, and other manufactured products. The prosperity of industry takes no cognizance of district or section but depends to a greater or lesser degree upon the condition of industries in every other section, and the automotive industry being of such giant proportions has a relationship in this connection that must be recognized, for just as a depression, like the measles, spreads from industry to industry, from section to section, so, too, recovery is contagious and its germs of activity spread from area to area. City store, factory and office employment, and wages decline with farm income. Industrial cities like Detroit are barometers for rising and falling farm incomes. Industrial pay rolls in the last 2 years have risen in proportion to the increased incomes of farmers. But you have only one side of the picture. The farmers' prosperity depends upon the condition of industry, and in this connection the Secretary of Agriculture recently said:

Farmers of the United States will unquestionably gain from the increased exportation of manufactured products to Canada. Suppose that exports of these products are increased by \$300,000,000—a

conservative figure in view of our trade with Canada in the past—and that half of this amount, or \$150,000,000, goes into pay rolls. This would mean definite and substantial gains in the cash income of farmers. Studies have shown that in the past an increase of \$150,000,000 in United States factory pay rolls added from four to six million dollars to the income of farmers in each of such States as Illinois, Wisconsin, Minnesota, Nebraska, Missouri, Iowa, and Ohio.

The increases in farm income resulting thus indirectly from the Canadian agreement will accrue largely to the producers of livestock products—the very same groups that are concerned over the concessions on Canadian cattle, calves, cream, and cheese.

In other words, the Canadian agreement will bring substantial improvement in the domestic market for these products—an improvement that greatly outweighs the very slight disadvantage resulting from the limited quantity of imports of these products.

Now, in conclusion, I wish to say that the reciprocal-trade agreements, boiled down to facts, makes an appeal to each and every one of us because of our united interest for relief of the unemployment situation of this Nation. I say that, boiled down to the facts, it spells one controlling sentence: Employment for the unemployed. In all the industries that I have mentioned to you in the course of my remarks, whether they be in the North, the South, the East, or the West, whether it be in the fields, in the mines, or the factories, or upon the highways of the Nation, it assists in that which we hope to relieve, the unemployment situation of the Nation. And in that spirit in which we are united, I leave these facts with you for your further consideration, which I hope will be favorable, and may the kindest feeling be engendered for the reciprocal-trade agreements which are being worked out under the present administration. The automobile workers of my district of necessity are deeply interested, but I have presented the matter to you on a broad scale. I have tried to show its benefits to the agriculture market. I have shown that the press is favorable to this praiseworthy activity of this administration. I feel it will work out as planned and that the barriers of trade being removed, we may progress along more free lines in the spirit of peace and tranquillity and in the attitude of a good neighbor with the peoples of the world. [Applause.]

AREAS BETWEEN SHORE AND BULKHEAD LINES IN RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3071, providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, with House amendments thereto, insist on the House amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill S. 3071, with House amendments thereto, insist on the House amendments, and agree to the conference. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. MANSFIELD, Mr. GAVAGAN, Mr. FIESINGER, Mr. SEGER, and Mr. CARTER.

RELIEF OF FLOOD SUFFERERS IN ALLEGHENY COUNTY, PA.

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a bill which I have introduced on the matter of relief.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD and to include therein the bill to which he refers. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution introduced by me:

Joint resolution

Resolved, etc., That due to the emergency existing in Allegheny County, Pa., as a result of the floods, county funds available from taxation are so impaired throughout the flood area that a continued support of the constructive activities of this county will be impossible. The Secretary of the Treasury is hereby authorized, in cooperation with local agencies in Allegheny County, to

employ such county extension agents necessary to aid in quickly and adequately rehabilitate this flood-devastated area.

Sec. 2. That for the purpose of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000,000 to carry out the program of relief to these flood sufferers.

GOOD GOVERNMENT REQUIRES SOUND BUSINESS PRACTICES

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address which I delivered over the radio on March 17 last.

The SPEAKER. Is there objection?

There was no objection.

Mr. THURSTON. Mr. Speaker, under the leave to extend my remarks I include the following address which I delivered over the National Broadcasting System on Tuesday evening, March 17, 1936, at 10:45 p. m.:

Ladies and gentlemen, as the political campaign approaches our people expect to have news concerning public affairs. Because they are busy in their respective lines of endeavor, it is impossible for them to give detailed consideration to the many phases of Federal legislation, not to mention the maze of administrative regulations going out from Washington to guide, and in many cases to arbitrarily direct, the conduct of our citizens throughout the country.

Formerly news reporters contacted the principal executive officers of the Federal Government about important matters of current interest. Now each permanent and temporary branch of the Government has a large staff of high-salaried press and propaganda writers who flood the country with thrilling stories about the magic wonders of this administration. It is no exaggeration to say that more propaganda has been released from Washington in the last 3 years, at the expense of the taxpayer, than in the preceding 150 years of our Government; so it cannot be expected that infrequent statements made by critics can equal those of this "self-admiration society", sometimes known as the Roosevelt administration. How these journalists must laugh and chuckle when they send out his "baloney."

There are two schools of thought in Washington—one which seeks to solve all our problems through the creation of new bureaus, commissions, and corporations owned by the Government. This borders on socialism. The other, the Republicans, who contend that our problems can be cured only by the old and tried American plan of persons or private organizations. One, political jobs; the other, private employment.

Should the employment of your children be based upon political influence; will you force them to go into the political begging business in order to find positions; will their future always be harassed with the uncertainty of employment as the political pendulum may swing either way? Or, may they enjoy security and happiness through their own merit and worth? The next election may decide this question for many years to come.

PUBLIC DEBT

It is interesting, although disheartening, to recall that when the Roosevelt administration took office, the public debt was, in round figures, \$20,000,000,000 less credits, now it is definitely \$31,000,000,000 less credits, an increase of \$11,000,000,000 in just 3½ years. But our Democratic friends say this could not be prevented, as they have an acute case of "billionitis."

EMPLOYMENT

Now, about employment! Have you observed that we read voluminous propaganda about employment, with almost no mention of unemployment, or of those who were employed one week and discharged the next? Last week the American Federation of Labor stated that there are now 12,626,000 unemployed. Obviously, no New Dealer or anyone else can reconcile or justify these debt and unemployment increases.

TAXATION

I am sure you know that our source of revenue is taxes. Gold and silver may be juggled, or revalued, but taxes—to use a homely term—are the result of sweat. If our people could be made tax-conscious, public officials would be held to account for the sums they so generously scatter and waste. He who buys a pack of cigarettes knows about part of the tax he pays. The same is true of gasoline; but the invisible tax on shoes, or food, is not listed. If we could know that from one-fifth to one-third of the amount paid for almost every commodity we buy is charged to taxes in some form, our people would rise in indignation and call for a hidden-tax accounting.

PARTNERS IN GOVERNMENT

Frequently our people do not associate public office with good business management. But you and I are partners, owning equal shares of stock in the greatest business concern in the world, our Government; and we should employ as managers those qualified, to insure success.

No one denies that a substantial portion of the tremendous sum spent by the present administration has been used to assist those in distress and to build needed public works. This money has not all been wasted; but as a member of the Committee on Appropriations, day after day I am obliged to listen to bureau chiefs who glibly ask for two hundred million for this, five hundred million for that, even requesting appropriations running into billions; but they rarely can give specific reasons to support their

askings. With few exceptions, they have very little conception of their duties, virtually none have ever held public office, very few have held positions of importance in private life; they are theoretical and have no working knowledge of the machinery of our Government.

I hope I am not too partisan to pay my respects to the fine, splendid leaders of the opposition party; legislators who understand public affairs; and while we may not agree in several particulars, yet it is to be deplored that much of their sound advice and suggestions has been laid aside and replaced with the views of visionary appointees whose fantastic theories were adopted by the present administration. These fine, able men are perplexed and confused beyond expression.

FARM PROBLEM

As you listen to me, I feel sure you are inaudibly asking: What change do you propose? I answer, not only agriculture, but the entire country, will be benefited by protecting the American producer from the foreign competition of cheap land, cheap labor, cheap transportation. The home market, which consumes 90 to 95 percent of the products of our farms and factories, should be preserved.

The new farm program, as well as the old, seeks to reduce production by about one-fourth. A fair price for his products will benefit the farmer, who will have funds to purchase manufactured goods, thereby increasing employment in shops and factories. Normal conditions in this country will return only when the farm problem is solved.

Contradictory as it may appear, the President has allocated three-fourths of a billion dollars for irrigation and reclamation projects, to cost one and one-half billion dollars, which ultimately will bring into cultivation thousands of acres of land to compete against the farmers who are now being urged to restrict their farm crops. Thousands of mortgages were foreclosed on farms in the region where these new irrigated tracts are located, proving no need for additional farm land. As taxpayers, you are paying for these projects, and while the adverse effect may not be felt for several years, ultimately this additional production will cause another dislocation of agriculture.

Two important divisions of the Government working at cross-purposes: The Department of Agriculture urging restriction of farm products, the Department of the Interior promoting increased production. What could be more inconsistent? Such contradictory and unsound expenditures should be stopped.

To compare: These projects pay no interest for 10 years. If you owned a factory, or were employed in one, how would you like to have the Government erect a competing plant and make no interest charge for 10 years?

In this connection, I mention the well-known shelterbelt proposed by the President, a belt of trees to be 100 miles wide and 1,100 miles long, extending through a semiarid section from the Canadian line to the Gulf. Irrespective of party affiliation, this fiasco has been laughed out of existence. The humor of this silly, absurd project was fortunately appreciated in time to save more than \$100,000,000.

The plan to restrict farm production about one-fourth will logically displace about the same percent of farm labor. How shall we reemploy these persons? They cannot be absorbed by industry, because industry now has too many millions unemployed.

I contend that we might greatly increase the production of beet sugar. We could supply three-fourths of the sugar which we use, now being imported. Also, we might encourage on a large scale the production of substitutes for rubber that now comes from lands which do not purchase our commodities.

Another definite field which might be quickly utilized: If the importation of petroleum products and blackstrap molasses were practically prohibited, surplus grain and waste farm material, such as cornstalks and straw, could be made into fuel alcohol and gainfully employ many of our people.

FOREIGN COMPETITION

I can only briefly mention another highly important subject.

The Republican Party for many years has followed the policy of placing import duties on foreign-produced articles, if competitive, but even now two-thirds of all imports are on the "free" list. This policy is based on the thought that we should protect our people against the cheap labor of the rest of the world.

Wages in England are about one-third the scale paid here; in France and Germany slightly less; and the remainder of Europe about one-fourth. In the Latin States below us, the wage level is probably one-fifth that paid here; in China and Japan the wage for unskilled labor is from 15 to 25 cents per day. Many of these countries are purchasing our improved machinery, and their production equals our manpower. Oriental imports are constantly increasing.

Mr. American, how do you like to compete against these low-wage earners?

The Republican Party seeks to protect our factory workers and farmers from too severe competition of foreign labor. Do you believe in this policy, or do you prefer to have the "free-traders" handle your international trade agreements?

The Democrats have always sharply criticized this policy. While they lacked the courage to repeal the last Republican tariff act, although their leaders have repeatedly threatened to do so, through piecemeal reciprocal treaties they are effecting the same results.

For example, when the United States negotiates a reciprocal treaty with nation A, every tariff reduction in favor of nation A can be likewise exercised by all nations having treaties with us.

So, possibly with one exception, every nation gets the concession made to nation A, and other countries are not in turn obliged to make any concessions to us. I submit, a boy trading marbles could not be hoodwinked into such an unequal agreement.

This illustrates the lack of business capacity shown by our State Department, now under control of an outspoken free-trade or low-tariff advocate. The facts are that when our good Democratic diplomats see a few silk hats and highly colored spats they just cannot take their eyes off these alluring objects, and, of course, the astute foreign agent walks away with a fine trade bargain—at the expense of the American people.

It is obvious that if we had followed Democratic advice and reduced or eliminated duties upon foreign products, we would have many more millions of people out of employment.

REVERSED POLICIES

The Democratic Party has abandoned almost everything they ever advocated. Their members speak in whispers when States' rights are mentioned. After opposing the protective-tariff principle for decades, they now hesitate to discuss their dear old phantom, free trade; they positively bolt under the table when anyone mentions another one of their international "pets", the League of Nations, and say they never heard of it.

Two laws enacted and then repealed by the New Deal were the Economy Act and the law fixing a tax of 45 cents a bushel on potatoes. Then the shelterbelt 100 miles wide by 1,100 miles long has been abandoned. It is also highly impolite to mention either of these three orphans in administration circles.

If we had joined the League of Nations, today we would be embroiled in all the controversies in Europe, of which we know little and care less; and American mothers now would be fearful of our entry into another world war. At this time the President has a so-called Ambassador at Large flitting from capital to capital in Europe, and, according to the press, mixing in Old World affairs. He does not hold a position created by law and should be immediately recalled.

With few exceptions, all of the leaders of the Democratic Party were in favor of our entering the League of Nations. Americans have repudiated this dictator-royalist league, but it would be interesting to know how many of the leaders of that party at this time still favor this course.

If there was a law to permit a political party to be sued for alimony on account of desertion or nonsupport, our good opponents would be obliged to purchase barrels, as it would take their clothing and other possessions to pay these court bills.

But the Democrats have surely maintained a consistent policy in two respects: For the past 70 years, without exception, they have always increased the public debt when in control. They have been generous in promoting the importation of foreign-produced commodities. They surely do take care of our foreign relations.

In fairness, I should say there is one thing which our good Democratic friends have never deserted. I mention the Treasury of the United States. How they do love this dear old Treasury! If walls could speak, this fine old building undoubtedly would tell a tale of poverty and exhaustion. But the old edifice cannot be lonesome these days, because it is just across the street from the White House.

However, they have furnished us with some diversion. It is said that some well-intentioned person recently addressed a serious communication to the "Superintendent of Chats, Fireside Department, Washington, D. C." I assume it was referred to the boondoggling division.

Please remember that it will require the blood and sweat of the "sons and daughters of the Democrats" to pay these debts, as well as toil and privation on the part of the "children of the Republicans." It will take long and bitter years of sacrifice to balance this account.

We are not unmindful of our duty to those justly entitled to assistance, but public funds should not be absorbed in useless political jobs.

Every red-blooded American enjoys a clean, fair fight, whether on the football field or in the arena. He abhors vote-buying or political bribery. The Republicans challenge the opposition to lay aside unfair political pressure and to stage a fair, open contest.

In conclusion, this America of ours is the finest heritage ever handed down to a people, and you and I have the right to insist on sharing in the wonderful advantages brought to us through this form of government.

In addition, we owe it to our dependents and ourselves to fight to retain these American principles.

The welfare of your family, and of your country, is at stake. How will you vote?

RECIPROCAL-TRADE AGREEMENTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, first let me say to my colleague from Michigan [Mr. RABAUT] that I did not object to his putting into his remarks the newspaper editorials because of any feeling I have about him, but I regard it the duty of every Member of Congress to keep newspaper articles out of the RECORD; this is a record of Congress, not a record of newspaper editorials.

I call the attention of the House to what reciprocal-trade agreements are doing to the farmers of this country. In 1935 there were imported into the country 4 times as much wheat as was imported in 1934, 14 times as much corn, twice as much oats, 22 times as much butter, 75 times as much beef, and 30 times more pork, double the amount of wool, and the same holds true of a great many other farm commodities. That is what the reciprocal-trade agreements are doing to the farmers of our Nation. Is it helping the American farmer? The same holds true of many manufactured articles.

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. WARREN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Carolina makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Adair	Culkin	Hennings	Parks
Andrews, N. Y.	Dear	Hobbs	Perkins
Berlin	Dempsey	Hoeppel	Quinn
Bolton, Ohio	DeRouen	Hollister	Robison, Ky.
Brennan	Doutrich	Hook	Romjue
Brooks	Duffey, Ohio	Johnson, W. Va.	Rudd
Buckbee, Ill.	Eaton	Kee	Ryan
Buckley, N. Y.	Ekwall	Larrabee	Stack
Bulwinkle	Englebright	Lesinski	Steagall
Cannon, Wis.	Evans	McFarlane	Sweeney
Carter	Fenerty	McGroarty	Taylor, S. C.
Casey	Fish	McLeod	Thomas
Caviechia	Ford, Calif.	McMillan	Tobey
Claborn	Fulmer	Marshall	Tonry
Clark, Idaho	Gray, Ind.	Montague	Underwood
Clark, N. C.	Greenway	Montet	Wearin
Connery	Hancock, N. Y.	Nichols	Wood
Crosser, Ohio	Hartley	Oliver	Zioncheck

The SPEAKER. Three hundred and fifty-eight Members are present, a quorum.

Mr. GREENWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, in my address this morning there were some extracts objected to by the gentleman from Pennsylvania [Mr. RICH]. I explained to the gentleman from Pennsylvania what the extracts amounted to, and he has consented to withdraw his objection. I now ask unanimous consent to extend my remarks to include those extracts.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, I do not know what blandishments the gentleman from Michigan has used on the gentleman from Pennsylvania, but meantime I will have to object.

LEAVE OF ABSENCE

Mr. GRAY of Pennsylvania. Mr. Speaker, I understand there is some possibility of my getting through to Johnstown and other parts of my district that have been devastated by the flood. I ask unanimous consent to be excused from the sessions of the House until I return.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GINGERY. Mr. Speaker, I ask for the same privilege, for the same reason.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by

the Reconstruction Finance Corporation and reaffirming their immunity.

TO AMEND FOURTH SECTION OF THE INTERSTATE COMMERCE ACT
Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 435.

The Clerk read as follows:

House Resolution 435

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3263, a bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4). That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I yield myself 8 minutes.

Mr. Speaker, I prefer to make my statement in the 8 minutes without being asked to yield.

This resolution comes from the Committee on Rules and provides for the consideration of H. R. 3263, known as the Pettengill bill, relative to long and short hauls on railroads. There has been considerable interest expressed in this bill, both in the last session and in this session. The report comes from the Committee on Interstate and Foreign Commerce, practically unanimous, asking that we have consideration of the bill at this session of Congress.

The rule provides for 5 hours of general debate, the debate to be confined to the bill, and it is a wide-open rule, open for all amendments.

As to the merits of the legislation, as the hearing before the Rules Committee developed, it is the feeling on the part of the railroad managements, as well as all of the brotherhoods, that an amendment of the Interstate Commerce Act relative to long- and short-haul rates should be made. It is largely a matter of procedure. Heretofore, in order to establish a lower rate for a longer haul over the same line, the railroads had to file a petition with the Interstate Commerce Commission, and in many instances the hearings were carried out for several years. Under this bill the railroads will be allowed to publish this lower rate for a longer haul over the same railroad, where they come in competition with other lines of transportation. Then if any shipper feels aggrieved or the Interstate Commerce Commission on its own initiative desires to suspend that rate until a full hearing is had, it may be done. It does not repeal the provisions of the long- and short-haul clause, but it does provide for this procedure which will speed up decisions.

The railroads are seeking a basis of fair competition with water transportation and with bus and truck lines that are now carrying freight. As long as those competing lines of transportation are not under the regulation of the Interstate Commerce Commission, by having their rates fixed, and until that time comes, which many who are interested in all lines of transportation on a fair basis of competition believe should come, it is the opinion of myself and many others in the House that the railroads should be allowed to enter into this competition at a lower rate on a longer haul. The railroads of our nation have about \$26,000,000,000 invested. The water transportation, intercoastal, has about \$85,000,000. In times of war and emergency, the country must depend upon our railroad transportation. That was demonstrated during the World War. The railroads are now beginning to show a profit and coming out of the debit balance, and we believe they ought to have an opportunity to increase their volume of traffic. After all, the railroads with that investment, have certain fixed charges or overhead that must be met. The profits or returns will then come with the volume of business that is developed. In developing that additional volume of

business on these transcontinental hauls, we believe the permanency of the railroad systems will be preserved. We know we must have railroad systems. We know that if they do not show a profit, at some future time they will have to be taken over by the Government. For myself, I prefer to put them in a self-sustaining position, where they can yield a profit.

Some will believe that on a comparative basis it is unjust to allow a lower freight rate on a longer haul than on a shorter one, but I do not believe this will raise the domestic rates or intermediate rates. I believe that by increasing the volume of business of the whole railroad structure, so that a profit is shown in the operation of the whole system, the Interstate Commerce Commission can then mark down the rates, and I believe they will do so, even on the shorter hauls. It is my opinion we ought to do that in order to give them a volume of business so that they can show a profit, so that the Interstate Commerce Commission will reduce the rates on freight traffic, the same as they have recently done on passenger traffic.

In 1920 the railroads employed 1,600,000 employees. Somewhere about half of that number is now employed, and with the increasing transcontinental freight haul we believe that many employees will be added. The railroads should have some consideration for their life. They are probably the greatest single taxpayers in the United States. There is not a county, not a State, not a municipality but what levies taxes upon the physical valuation of their properties. They contribute to the schools; they contribute to the highways over which their chief competitor operates.

I believe the railroads deserve this consideration to give this basis of fair competition with water-borne transportation and with busses and trucks. I have nothing, of course, against these lines; but bear in mind, as I said before, they are not under the regulation of the Interstate Commerce Commission so as to have their rates fixed. Until this time comes the railroads, I think, should be given this privilege of fixing these rates on these longer hauls.

I believe all of us will want to see at least the rule passed so that we can have full discussion for 5 hours on the bill.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. FITZPATRICK. The provisions of this bill do not make it mandatory on the Commission; they can use their discretion; they can change the rates.

Mr. GREENWOOD. The gentleman is correct; the Commission can change the rates, determine questions of discrimination and questions of proper return and compensation. These are all preserved. It is largely a question of procedure.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. PIERCE. Is it not true that the Interstate Commerce Commission can act on this matter now?

Mr. GREENWOOD. Yes; I thought I made that plain. I will say to my friend from Oregon they can act, but the railroads must petition and wait for a long-drawn-out hearing. It will change the procedure so these rates can be fixed immediately. Then any shipper can file complaint with the Commission on its own initiative and ask for a change of the rates.

Mr. PIERCE. That is the object of it, to shift the burden of proof to the shipper, and it is impossible for him to get into court.

Mr. GREENWOOD. No; the gentleman is in error. The burden of proof still lies with the railroad companies.

Mr. PIERCE. That is the crux of the bill, the shifting of the burden of proof.

Mr. GREENWOOD. Not at all. The burden of proof does not shift from the railroads.

Mr. PIERCE. But the shipper cannot get into court.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLDEN. The gentleman referred to benefits for labor and relief of unemployment. Does the gentleman think

the granting of this low rate to the Pacific coast is going to restore to jobs all the idle railway men in this country? Has it not been shown by testimony that in spite of increased tonnage on some of the railroads employment of labor has decreased because of the longer trains that are hauled?

Mr. GREENWOOD. I think it will help relieve unemployment, but, of course, I cannot say to what extent.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLE of Maryland. We have had a Coordinator of Railroads in this country for some years, Mr. Eastman. He did not testify before the subcommittee on this bill, but it is my understanding he did appear before the Rules Committee. I am wondering if the gentleman would like to give us the benefit of Mr. Eastman's views?

Mr. GREENWOOD. I heard much of Mr. Eastman's testimony. It would take quite a little time to go into that. I would rather put that off until general debate.

Mr. COLE of Maryland. I thought the gentleman might be able to tell us briefly the substance of his recommendations.

Mr. GREENWOOD. There are others who heard his testimony too and I feel sure they will go into it in general debate.

Mr. COLE of Maryland. No record, of course, was made of the hearing before the Rules Committee.

Mr. GREENWOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I make it a rule never to commit myself on any legislative proposal until I think I know something about it. This bill, however, constitutes an exception to that rule. I shamefully confess to you that in response to the appeal of my railroad labor friends, and others in the service of the railroads, I did commit myself to the support of this rule and the bill; and I intend to vote for the rule. When I made this commitment I was under the impression that the bill was in the public interest. I am now convinced, Mr. Speaker, that it is not. [Applause.]

Mr. WARREN. Mr. Speaker, will the gentleman yield at this point?

Mr. COX. Will the gentleman let me proceed for a few moments?

Mr. WARREN. Certainly.

Mr. COX. As I say, Mr. Speaker, there is nothing in the bill except a promise of increased traffic for the railroads at the expense of water carriers and a promise of increased railroad employment at the expense of those now employed by the carriers by water.

The purpose of this bill, and make no mistake about it, is to kill off the water-borne commerce of this country. There will not be created an additional carload of traffic as a result of the adoption of the bill. There will not be made a single job for a single laborer. There will be a shifting, as I have stated, of freight from the carriers by water to the rail carriers and there will be a shifting of labor now engaged in handling water-borne commerce to those engaged in carriage by rail, but labor is going to be disappointed at the small number of increased railroad employees.

If the policy Congress has heretofore pursued—that is, of fostering, encouraging, and building up water transportation—was sound and ought not to be abandoned, then this bill is bad. If what we have done in the way of improving water transportation in the interest of low freight rates or low transportation charges, if what we have done in this regard has been wise, then this bill, Mr. Speaker, ought to be killed.

The question propounded by the gentleman from Oregon [Mr. PIERCE], I believe it was, just before I took the floor is entirely pertinent. The gentleman from Oregon directed the attention of the House to the effect of this legislation, which is most desired by the railroads. In other words, the purpose of the bill is in part to take the rail carriers from under the strict supervision of the Interstate Commerce

Commission. Under the bill which the rule is intended to make in order, the railroads are to be licensed to make and file their own rates without first obtaining leave of the Commission, and then if some interested party should file complaint, or if the Commission itself and of its own accord intervenes, the rates may be suspended and the roads called upon to prove the reasonableness of the charges made.

The Rayburn bill, which Mr. Eastman has on two different occasions approved, is germane as an amendment to the Pettengill bill. The Rayburn bill goes as far in the giving of relief to the rail carriers as they ought to demand, because under that bill before the rail carrier can change its rates in the interest of the seaboard and against the interior areas of the country, it must make application to the Commission and obtain leave.

Effort has been made in the propaganda that has been carried on in behalf of this bill to create the belief that no relief has as a rule been granted by the Commission to the railroads under section 4 of the Transportation Act; but as between 1930 and 1935 there were 150 cases filed and in 120 of them the relief was granted and in most instances granted upon the filing of the application pending hearing.

If someone with a prior right to offer the Rayburn bill, which is the bill that has been approved by Mr. Eastman on two different occasions, does not offer it as a substitute for the Pettengill bill, I will offer it myself. Certainly it ought to be offered in the interest of proper regulation and the public.

Mr. Speaker, what the railroads want is freedom to return to old conditions where the practice so outraged public sentiment as to demand and bring about the enactment of the Interstate Commerce Commission, and later strengthened by making the long- and short-haul provision effective. I challenge any Member of this body to justify upon moral grounds the charging of a higher rate for the transportation of freight over the same road going in the same direction 100 miles than is charged for carrying it 1,000 or 2,000 miles. What the roads want, I repeat, is freedom of action in order that they may kill off the water carriers of the country. There is no requirement in the law that they fix a rate which will give a fair return, but, on the contrary, they are at liberty to carry the freight for less than cost, and they will take it on that basis if such practice will result in the destruction of that instrumentality that Congress has created and has fostered because of the influence that it has upon transportation charges.

Mr. Speaker, if the railroads and labor want relief, let them come in here with a proposal to put interstate carriers under strict regulation, supervised by the Interstate Commerce Commission. As far as I am personally concerned, I am for putting busses, trucks, and all of the common carriers, including water carriers, under strict regulation. That ought to be done; it would protect labor and the rail carriers—and I favor giving both this kind of protection. My chief objection to the Pettengill bill is that it permits the rail carriers to change rates without first obtaining leave from the Commission. There is as much in the Rayburn bill for labor as there is in the Pettengill bill, and it should prevail over the Pettengill bill. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, there is a good deal of misapprehension as to what existing conditions with reference to long-haul and short-haul legislation are and also what the effect of this bill will be. As the preceding speaker has stated, a railroad may charge more for a direct haul or may charge less for a direct haul than the sum of the rates of the intermediate points if the Interstate Commerce Commission says it is a proper and justifiable case. But the present law states that if such a rate is desired by a railroad it shall file an application. If the Interstate Commerce Commission, by applying its rules with respect to the rate-making structure, thinks there is justification for the rate, the rate is granted. As has been said, 150 such applications during a recent period were filed by the railroads; 120 of them were granted, and 30 were denied or are still pending. That

is liberal treatment to the railroads with respect to exceptions to this general rule of not charging less for a greater distance of haulage.

Mr. Speaker, what the railroads desire and what would be effected by this bill is about as follows: The railroads need not in each instance justify their rates. They file them, and unless objection is made from some source the rate automatically goes into effect. It is the same proposition as before, only it puts upon the shipper, it puts upon the little communities, it puts upon the water carriers, the duty or necessity of hiring lawyers and engaging in intensive research in order to make out in the first instance a case against the proposed rate. Then the railroads defend their rates.

Of course it has been said, and will be repeated later, that the burden of proof for justification of the rates still rests with the railroads, but the difficulty is that the little fellows at these hundreds of intermediate points have not the resources nor the money to fight the railroads in the first instance before the Interstate Commerce Commission. The railroads are entitled to this treatment today, and they can get it, but they have to show they are entitled to it and not force some little factory, some little community, or some local market to go to heavy and unnecessary expense in order to protect themselves against an injustice on the part of the railroads.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from New York.

Mr. FITZPATRICK. Would the railroads file an increased rate if this bill is passed?

Mr. COX. Might they file an increased rate? Why certainly.

Mr. LEHLBACH. Does the gentleman mean for intermediate points?

Mr. FITZPATRICK. Under the Pettengill bill is not the object the filing of a lower rate for long hauls?

Mr. LEHLBACH. Why certainly.

Mr. FITZPATRICK. They cannot file a higher rate under this bill?

Mr. LEHLBACH. For long hauls?

Mr. FITZPATRICK. Yes; for long hauls?

Mr. LEHLBACH. They can.

Mr. FITZPATRICK. They cannot increase the short-haul rate?

Mr. LEHLBACH. That would not be affected by this particular provision.

Mr. FITZPATRICK. They cannot increase the rate for the short hauls, can they?

Mr. LEHLBACH. They could under this bill.

Mr. FITZPATRICK. Under this bill?

Mr. LEHLBACH. They could.

Mr. FITZPATRICK. I understand from the author of the bill they cannot. The only thing they can do is to file a lesser rate for the longer haul.

Mr. LEHLBACH. Yes; but they can file a rate for anywhere under the Interstate Commerce Act.

Mr. FITZPATRICK. No. I understand they cannot increase the rate for the shorter hauls.

Mr. LEHLBACH. They may have their application reviewed and considered by the Interstate Commerce Commission. Of course, it would not go into effect until the Interstate Commerce Commission gave its approval.

Mr. GREENWOOD. I do not believe the gentleman is correct in his statement with reference to raising intermediate rates.

Mr. LEHLBACH. They can file such a rate, which then would be subject to approval by the Interstate Commerce Commission.

Mr. PIERCE. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Oregon.

Mr. PIERCE. Does not the rate have to be compensatory now, and would not the repeal of this clause make it so that it would not have to be compensatory? In other words, they can file a rate so low that it will wipe out competition, whereas now they have to show that they are not losing money on the traffic.

Mr. LEHLBACH. Unless the Interstate Commerce Commission—

Mr. PIERCE. Unless the Commission sees fit to modify the fourth section.

Mr. LEHLBACH. Unless the Interstate Commerce Commission should take notice itself and act on its own motion, which is unusual, it would necessitate, if the rates were not compensatory, or if the rate were not within reason and justice, a little shop or a little factory or a little shipper along the line to hire lawyers, make research, and establish a prima facie case.

Mr. COX. Mr. Speaker, will the gentleman yield in order that I may ask the author of the bill at this point to point to the part of the bill that prevents an increase of rates?

Mr. FITZPATRICK. I can point that out.

Mr. COX. I should like to ask the author of the bill that question.

Mr. LEHLBACH. I should prefer not to yield for that purpose now.

It has been stated that this would be beneficial to railroad labor by increasing employment. Proponent after proponent of this bill has argued before various committees that this bill would not increase the cost of railroad operation, because the excess traffic or the excess freight carried could be carried on existing trains or by the lengthening of existing trains without increasing unduly the cost of operation of the railroads, which means that they can put this into effect without hiring any more men. So the idea which has been drilled into the railroad employees that this is going to be of substantial benefit to them is entirely an illusion.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. LEHLBACH. I yield.

Mr. COX. I should like the gentleman to yield for the purpose of making inquiry of the author of the bill if there is anything in the legislation that prevents a road from filing increased rates.

Mr. LEHLBACH. I should prefer that to be done not in my time.

Mr. COX. The question was raised here, and it appears there is some doubt about it, although I insist there is none.

Mr. WITHROW. Mr. Speaker, will the gentleman yield for a brief question?

Mr. LEHLBACH. Yes.

Mr. WITHROW. The gentleman says this would not benefit the railroad employee. Does not the gentleman think the railroad employee and his representatives are better judges of that than is the gentleman? [Applause.]

Mr. LEHLBACH. I am having to pass judgment on it, and I have to exercise my own judgment when I advocate or oppose legislation in this House. There are probably hundreds of thousands of people who know more about every subject that comes up here than I do, but, after all, it is my opinion that is to be translated into a vote. [Applause.]

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. COLDEN. I should like to call attention to the Record of 1934, on March 1, where the testimony of the Southern Pacific officials is quoted to the effect that they could carry 33 1/3 percent extra traffic west and 15 percent east without increasing their mileage, their trains, or their employees.

Mr. LEHLBACH. Precisely; that is just the point I was trying to make. In order to get the support of their labor for this bill they are fooling their labor.

Mr. WARREN. Mr. Speaker, will the gentleman yield to me for a question?

Mr. LEHLBACH. I yield.

Mr. WARREN. Is it not a fact that there has never been a hearing on this bill before the entire Committee on Interstate and Foreign Commerce, and that this ill-advised legislation, about which there seems to be so much difference among its sponsors, comes in here with a rule adopted by a majority of one in the Rules Committee?

Mr. LEHLBACH. I do not care to say what the majority was in the Rules Committee.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from New Jersey 5 more minutes.

Mr. LEHLBACH. The question was asked, What was the attitude of Mr. Eastman, the Coordinator of Railroads, toward this bill? If it is of any importance to you gentlemen, or if it has any influence with you, let me tell you that Mr. Eastman and the Interstate Commerce Commission unanimously opposed this bill. [Applause.]

Now, there is talk that water transportation is subsidized and therefore the railroads should be given unconscionable advantage in competing with or driving out the water competition. Of course, when it comes to subsidies, the only water transportation that is actually subsidized are the ships engaged in foreign commerce, and, of course, the railroads do not compete with ships in overseas traffic.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Let me finish this statement.

It is said, however, that the rivers and harbors are improved at public expense and that the Panama Canal was constructed at public expense, and evidence is offered to show how transportation by water through the Panama Canal has cut down the transcontinental transportation business of the railroads. Well, for heaven's sake, is there any sense in the proposition that in order to procure cheap transportation the United States spends hundreds and hundreds of millions of dollars to afford opportunity for such cheap transportation by water to its shippers and then enacts legislation to put the transportation system that it has thus created out of business? Are we going to dig the Panama Canal and then pass legislation to allow the railroads to make the Panama Canal useless by transporting at a loss from the Atlantic to the Pacific overland and then soaking the little shippers of the inland localities throughout the country to make up this loss?

Mr. KNUTSON. Mr. Speaker, will the gentleman yield at that point?

Mr. LEHLBACH. I yield.

Mr. KNUTSON. Does the gentleman contend that the barge line on the upper Mississippi River, with all its expense of maintaining channels, does not constitute an outright gift?

Mr. LEHLBACH. I do not care anything about the barge line on the upper Mississippi River; that is an entirely different question.

Mr. KNUTSON. It is interwoven with this question.

Mr. LEHLBACH. The improvement of waterways for the benefit of shippers in order to get low transportation is one thing. The barge line has nothing to do with it and is not interwoven with this.

Mr. KNUTSON. The Government has appropriated money as gratuities for it.

Mr. LEHLBACH. I am not talking about that; this is an entirely different question.

Mr. MOTT. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. MOTT. Is it not a fact that the transcontinental railroads were subsidized by the Government at the time they were built by land grants?

Mr. LEHLBACH. They were. Now, I want to say that the bus and truck transportation are under the Interstate Commerce Commission. It is inevitable that within a short time our water transportation will be regulated by the Interstate Commerce Commission. We had better wait and let the Interstate Commerce Commission, with jurisdiction over all kinds of transportation, regulate these matters than to pass a bill which the Interstate Commerce Commission, and almost everyone who has studied the subject, is opposed to. [Applause.]

Mr. SADOWSKI. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. SADOWSKI. Can the gentleman tell us any form of transportation that is tied down by law as the railroad system is?

[Here the gavel fell.]

Mr. LEHLBACH. I am sorry. My time has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, there is not a man in this House on either side or of any party that does not approve

of fair play. The bill you are going to have, or that you have under this rule, is nothing more or less than fair play. [Applause.]

They talk about taking business away from the poor water carriers and turning it over to the railroads, about giving preference to the railway laborers who are going to handle it, as an unfair imposition on our water transportation system and laborers. This bill does nothing of the kind. Water transportation can charge more for a short haul than a long haul. It is only giving railway labor an equal opportunity to work. This bill is taking nothing from any other type of labor to which it is justly entitled. If you believe in competition, why not put all these instrumentalities of transportation on the same plane.

The gentleman who spoke here a moment ago says, "let us put them all under the Interstate Commerce Commission." That is all right. I am with him on that, but why not put them on the same plane now, so that when they go under the Interstate Commerce Commission we will not have to be bothered with this unfair differentiation. The railroads of the country are the largest employers of labor of any organization in the United States. They represent \$26,000,000,000 worth of taxable property, and in some communities they are paying over half the taxes, while endeavoring to survive, buy material, meet pay rolls, and pay dividends. They pay their labor the highest wage of any similar employer in the country, and yet we hold their hands and let their competitors pick their pockets. If that is fair play, if that is free competition, then I know nothing about it.

We have built the Panama Canal. We have subsidized airways, built concrete highways, and operate power transmission lines. We have permitted power companies to ship coal by wire over and through mountains and hills, and pipe lines to do the same with oil, and they can charge any rate they want to and get away with it. The railroads that are operating something that pays dividends, that hold the investment of trust funds, that protect insurance companies, that are the very backbone of our financial structure, you tie down and prevent from protecting themselves.

Some gentlemen here, one sitting in front of me, a good friend of mine, is much disturbed by some of the railway activities and things that occurred 50 years ago in the railroad business. That was long before the Interstate Commerce Commission was in operation and before the railroads had any competition. Anything that the railroads would do under this proposed bill would still be under the surveillance of the Interstate Commerce Commission.

If the railroads today were to discriminate against any community, competition would soon correct the evil. The gentleman just said that they could haul freight at a loss. The question as to reasonable return is always before the Interstate Commerce Commission, and with this in view any proposed rate must be considered.

Under the present law, under the conditions as they exist today, a railroad can put in a rate allowing a larger compensation for a shorter haul than for a longer haul, and after it has put it in, if anybody protests, then the matter is held on for hearing indefinitely. There is no time placed for a hearing at all, and the railroads cannot proceed while the matter is pending for hearing. Under the bill before us the law controlling the railroads for short haul and long haul will be the same as every other provision pertaining to railroad rates in the Interstate Commerce Act.

In other words, when the railroads post their rates giving a larger charge for a short haul than for a long haul, the matter will be published, and then if an objection is filed the matter is to be heard within 7 months by the Interstate Commerce Commission. It is essentially the difference of time involved in changing a rate between 7 months and an indefinite time. That is the main question involved here in this bill. In other words, under this bill you could not tie up the railroads longer than 7 months in changing a rate. The water carrier, the pipe-line company, the power company, and the trucks and airplanes will continue to have a tremendous advantage even if we pass this bill, but I

submit, in the interest of fair play, we ought to give the railroad a part of an even break once. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 8 minutes to the gentleman from Arkansas [Mr. DRIVER].

Mr. DRIVER. Mr. Speaker, some question arises as to the attitude of the Interstate Commerce Commission on this pending measure. I shall give to the House the language of Coordinator Eastman, who is one of the Commissioners, with reference to disturbing the long- and short-haul clause of the Transportation Act:

We are unable to understand how the public interest would be served by the enactment of such a bill. Experience has shown during the years before and since the enactment of the act in 1887 that special measures are necessary to prevent a peculiar form of undue discrimination which may be created by the establishment of higher rates for shorter than for longer distances. Section 4 was designed to protect the public against this special kind of prejudice and discrimination.

In the language of the proponents of this bill, it just does not amount to anything, but I say that when you find the railroad interests of this country supporting a measure, before you make up your mind you had better ascertain that it does not amount to anything. The change of procedure alone, which is at least admitted by the proponents of this bill, is sufficient, in my opinion, to destroy the recaptured commerce on the improved inland waterways of the Nation. We are not going to disagree in our views as to the valuable contribution to our economic structure that is made by cheap transportation. That is the purpose of the declaration of policy in the Waterways Act, which provides for the development and promotion of waterway transportation in order to guarantee to the shippers of the country a cheap method of transporting their products, and we cannot discharge the obligation that we owe to the citizens of the Nation unless we make available to them the cheapest possible transportation, it matters not whether that transportation be by railroad, by truck, by bus, or by water-borne commerce. I remain in no doubt of the fact that we are witnessing in this attitude on the part of the railroad interests of the country an effort to open the door to a return of the outrages perpetrated in the intermountain country and noncompetitive interior points which caused a war of 20 years to be waged in order to secure in the Transportation Act a guaranty against the abuses which then prevailed.

I give this House this further warning: This bill is laying down a predicate on which the railroads are preparing to wage war on the competitive transportation agencies, and they are going to make the interior pay again the expense of that undertaking. [Applause.]

Of course, no one can defend the former practice now prohibited by declaration of positive law, of charging more for a short haul than they charge for a long haul. They destroyed cities, when unregulated, through that practice, and they built cities, under their indiscriminate, reckless operation during that period of time. When you say we tie the hands of these transportation agencies, we say we tie them because of the practice of the railroad companies then. Can we now place greater confidence in that same operation, so long as they are moved by the same men in the counting house in the larger cities of your Nation, whose policy is now and ever has been the greatest charge that the traffic will bear?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. No. They are going back to it. Have we any reason from the lights before us today to believe they have reformed? We recall the time when they had flocks of paid lobbyists in the capital cities of the States of this Nation purchasing and directing your legislatures, dictating the regulations that applied to their own operation. From the lights before us they are ready to engage again, when their own selfish interests may be involved, in just exactly a similar character of conduct. Of course, if there is nothing in this bill, the railroads would not be behind it and pressing it with the vigor they are displaying.

Now, we have developed some waterways in this Nation. We have built great terminals in many of the cities. We have expended millions of dollars to develop the great

arteries of commerce that Nature has provided; but we have been more indifferent to those potential values than any other nation on the face of this earth. Why? Because we permitted the railroads, in their ruthless enterprise, in order to build and continue a monopoly in transportation, to sweep the equipment from the waterways; and we are just now recapturing some small part of that lost tonnage. We might as well tear down all of the work we have performed on the great Ohio River, with its 60 dams and perfect channel; on the Illinois River, so recently opened, over which today there floats tonnage from the great industrial areas of that State at a rate at which the railroads cannot carry the traffic. [Applause.]

Much is said of discriminations inflicted upon the railroads through the inequalities existing in competitive agencies. One of them is that the trucks and busses are permitted to operate over the highways without paying a reasonable cost for the use. The highways were constructed for the convenience of that same public which is entitled to the lowest reasonable rate for the transportation of its necessities and the establishment and utilization of such low-cost transportation was in the exercise of such privilege. It is now demonstrated that a connected and consistent development of the great arteries of commerce in our waterways is justified, and there will be no turning back until the job is complete. The justification for the existence of any transportation system lies in its ability to serve the interest of the public, and if it fails to measure to such requirement in that it is unable to render the service demands at a reasonable comparative cost, then it cannot be justified. In my opinion, the ultimate of the rate structure will be found in the policy of the cost of service plus a reasonable profit, and the future of railroad transportation will not hinge upon the ability to change the laws to enable discriminations to be practiced or to destroy competitive agencies, but will be solved when the exploiting banking control are willing to abandon the policy of "all the traffic will bear", sit about the board, and adjust their capital structure to conform to actual investment and values and thus provide a basis for a reasonable return thereon.

The President is opposed to the measure and quotes the criticism voiced by Coordinator Eastman, of the Commission, as follows:

After the changes in section 4 and because of the disappearance of the water lines, the Commission gradually compelled a revision of rates in southeastern territory which has very nearly eliminated fourth-section departures on direct routes. This gave the inland water lines a renewed chance to operate, and they have returned to a considerable extent more particularly on the Mississippi and Ohio Rivers. However, if the railroads were permitted to make competitive rates without restraint and regardless of the level maintained at intermediate, noncompetitive points, they probably could drive the water lines out of business again. The same thing might happen, to a considerable extent, with the trucks.

But if there should be restraints on competition, the question still remains whether a section 4, such as has existed since 1910, is necessary for this purpose. It is true that the Commission could exercise a very considerable measure of control under section 3 and its power to fix minimum rates, coupled with its power to suspend rate changes. However, the forms of discrimination against which section 4 is directed are particularly flagrant forms which tend to arouse acute public dissatisfaction. The history of the section and the fact that most States have similar provisions in their statutes, and sometimes even in their constitutions, is evidence that this is so. Section 4, as it has existed since 1910, gives the Commission a wider discretion and more flexible means of dealing with such discriminations and restraining the competition which gives rise to them than it would otherwise possess.

The National Grange, in a letter addressed to the Members of the House of Representatives on March 9, 1936, boiled the matter down and offered this justified criticism:

The passage of this bill would work irreparable injury to agriculture. Its purpose is to repeal the long- and short-haul clause of the fourth section of the Transportation Act, paving the way for a cutthroat rate war against boat and truck lines and other competitors of the rail carriers. To finance such a rate war the railroads would keep their freight rates to the intermediate non-competitive points on a high level.

The farmer lives in the interior. The farmer is the intermediate shipper. The farmer is the man who is located at the noncompetitive point, and the farmer is the man who would have to pay the bill, in the form of exorbitant freight rates, to finance the railroads in a rate war with other carriers.

This kind of legislation would drive industry to the seacoast and depopulate the interior of the country. It would remove the farmer's market farther and farther from him and increase his cost of doing business.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am glad for the opportunity afforded me in these few minutes to speak briefly in support of this bill, the author of which is my esteemed and able colleague from Indiana [Mr. PETTINGILL].

For sometime it has been apparent to me from the source of the opposition to this bill that some of the competing transportation agencies have some advantage, by reason of governmental regulation or restriction of railroads that they want to hold onto. I have no quarrel with those people who are seeking to hold onto an advantage, if they have one; but, after all, that does not reflect an advantage to the shippers of the country or to the people of the country generally.

I have an idea that many of the governmental restraints and regulations, as they affect railroads, were enacted and adopted at a time when the railroads had a virtual monopoly in the transportation field. What has developed since that time? We have seen the expansion and development of waterways, of bus and truck transportation, until today the railroads do not have a monopoly in transportation, but, on the other hand, they are subjected to fierce competition, which is probably as it should be. But as the gentleman from Ohio has suggested, what is wrong with giving the railroads a fair deal and an equal opportunity in the competitive field?

If we will reflect upon the industrial and economic development of this country we will see that all manner of things in industry and transportation have become obsolete and have been forced out of the picture because they were obsolete. Some people today would have you believe the railroads are obsolete; that as a system of transportation they are antiquated and that we do not need them any more. If that is really true, then I say that as a part of the history of the industrial development of this country they will go out of the picture. But before they are determined to be obsolete, before we say that the railroads are to be supplanted by any other system of transportation, let us put them on a fair and equal basis, to the end that they shall have an equal chance, and no more, for their continuing existence. [Applause.]

I cannot see where this bill is going to create any undue advantage for the railroads. Rather, it will do no more than give the railroads an equal opportunity along with all of the other competing systems of transportation. If they are able to survive, then I say let them survive.

Mr. REECE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REECE. After this bill has been passed will not the Interstate Commerce Commission have every power over the railroads which they now have with respect to fixing rates and otherwise protecting the people from any unjust discrimination?

Mr. HALLECK. That is my understanding of it.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SAMUEL B. HILL. Then why the legislation, if that statement is true?

Mr. HALLECK. I am attempting to give my reasons for supporting this bill.

Mr. REECE. Mr. Speaker, if the gentleman will yield further, there will be a change, a difference, only in procedure and not with respect to the power which the Interstate Commerce Commission will still have over these matters. Their power will not be lessened in any degree with respect to discrimination and other control over the operation of the railroads.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. No; I cannot yield further.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana.

Mr. HALLECK. There is, of course, something in this legislation. I would not stand on the floor and say that it is going to have no effect. I say that its fundamental effect will be to give the railroads as a competing system of transportation a fair opportunity in open competition to make a fight for their lives, which they have a right to make. [Applause.] You might as well line up three foot racers, two of them unfettered, and then put a ball and chain on the third, whom we will call the railroads, and say: "Now, you railroad runner, go out in this race and win if you can." I do not believe that is the manner in which governmental restraint, governmental regulation, is intended to operate. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to myself.

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, my colleague from Georgia raised the point that this would destroy water transportation. With the natural advantages water transportation has to serve the cities on the coasts and many inland rivers, with the subsidies and appropriations that have been made for rivers and harbors, that this bill will destroy water transportation while these lines of water transportation enjoy this subsidy. The railroads have been paying taxes to every State, to every county, and to every municipality; in most instances being the highest taxpayer; and I join my colleague from Ohio in insisting that these amendments will bring fair treatment to the railroads of the Nation as against bus and truck lines and as against water transportation; because as to rates, buses, trucks, and water transportation are not under the strict regulation of the Interstate Commerce Commission, and until that hour arrives, and I believe it will arrive, the railroads should have the same opportunity to fix rates on the long haul that will be fair on a competitive basis, which right is now enjoyed by these competing lines of transportation.

Published rates of the railroads are now public and the procedure is that if they are raised or if the Commission desires to alter them of their own initiative the rates are suspended. There is no new procedure with reference to placing a lower rate on the longer haul under this bill. They are made under the same procedure that now operates with reference to the publication of rates.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. COX. Under the present law does not the carrier have to make application to the Commission and obtain consent of the Commission before they can change the rate?

Mr. GREENWOOD. As I understand, under the regulations, they must publish these rates and hearings must be held. That is what this bill proposes.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. SAMUEL B. HILL. The gentleman certainly does not mean that under the present law the railroads must make application for relief and hearings be held before relief is granted affirmatively.

Mr. COX. The Commission may grant relief pending hearing if it sees fit.

Mr. GREENWOOD. I do not understand that is the procedure. As I understand, procedure under this bill will not be different from what has been pursued in the past. Rates must be published and the Commission can suspend a rate, or any shipper can object to it and have a hearing.

Mr. COX. Mr. Speaker, will the gentleman yield at that point?

Mr. GREENWOOD. I should like to finish my statement; I have only 2 or 3 minutes remaining.

So, Mr. Speaker, we ask for this fair treatment as between railroads and these competing carriers. I cannot see how

any rate would be raised on a short haul. These competitive rates will be on transcontinental hauls or on the longer hauls where there is competition from water-borne commerce. That does not mean that any rate to intermediate points would be increased, and I do not understand that this bill gives any power to raise rates on the intermediate hauls.

Mr. COX. The gentleman is in error about that.

Mr. GREENWOOD. No; I do not think so. I consulted the author of the bill.

Mr. COX. I challenge the author of the bill.

Mr. GREENWOOD. I believe it will mean a lowering of all rates; that by taking into consideration in the rate structure a fair return, considering the overhead and the increased volume of business, that it will make an increased return, so that the Commission can carry out the policy that was recently carried out in reducing the passenger rates on its own initiative by giving a proper return to the railroads on the whole rate structure. On this basis I believe that even the intermediate rates will be lowered.

Mr. SAMUEL B. HILL. It has not worked out that way so far, and will not.

Mr. GREENWOOD. That was the report by the Interstate Commerce Commission.

Mr. Speaker, I ask that the rule be adopted, in order that this question may be thoroughly discussed in the ensuing general debate on the bill.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SAMUEL B. HILL) there were—ayes 155, noes 30.

So the resolution was agreed to.

THE RAILROADS HAVE BEEN THE GREATEST POSSIBLE BENEFICIARIES OF WATERWAY IMPROVEMENTS FOR NAVIGATION

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, a bill is now pending with the Committee on Merchant Marine and Fisheries seeking to consolidate all agencies of waterway transportation with the railroads, and placing them under the Interstate Commerce Commission. The claim is made by the proponents of the measure that the railroads have been subjected to burdensome and unnecessary regulations under the Interstate Commerce Commission, and, therefore, boats engaged in the movement of freight upon our inland waters, and also ships under American registry transporting our commerce upon the high seas should also be subjected to the same harsh methods of regulation.

It is not my purpose to discuss at this time the supposed merits or demerits of this proposed law. I do propose, however, to discuss some of the misleading propaganda that is now being urged as a reason for its enactment. For the past 10 years the country has been literally covered with propaganda to the effect that the railroads have been heavily taxed to build highways, and to improve waterways for the free use of their competitors which are virtually untaxed, while the railways themselves receive no benefits from such Government subsidies. A review of the facts will show how much truth there is in these contentions.

It is true that the railroads are taxed, and that a portion of the taxes paid by them is used for building and maintaining highways over which trucks and busses operate. It is also true that rivers and harbors have been improved and maintained from general taxation, and that they are used by boats in moving commerce, some of which may be in competition with the railroads.

I shall not at this time discuss the question of transportation over our highways as the trucks and busses have already been placed under the Interstate Commerce Commission. I

will, however, give a brief comparison of the taxes paid by trucks and railroads, respectively.

The taxes paid by the railroads in 1933 amounted to \$249,623,198. This included all taxes paid to the Federal Government as well as those paid to the respective States, counties, cities, and local taxing districts throughout the country.

During the same year—1933—the trucks paid a total tax of slightly more than \$303,000,000. This included excise taxes paid to the Federal Government, and also ad valorem taxes paid to the States, counties, municipalities, and taxing districts. It also included gasoline and license taxes.

The railroads are valued at \$26,000,000,000. The taxes paid by them is the equivalent of about 95 cents on the \$100 valuation. It is impossible to ascertain the value of the trucks, but in any event, the taxes paid by them amounts to several dollars on the \$100 valuation.

The taxes paid by the railroads consist principally of ad valorem taxes paid to the respective States and their subdivisions. Only a very small proportion of it goes into the Federal Treasury. River and harbor improvements are paid for out of the Federal Treasury, to which the railroad contribution is infinitesimal.

If Congress should stop all river and harbor improvements entirely and allow them to deteriorate into total ruin, it would not diminish the taxes paid by the railroads to the extent of one mill. They would continue to be taxed just as they are now, but in such event they would be deprived of the enormous amount of business they are now receiving on account of the improved waterways.

A letter from General Brown, as Chief of Engineers, on December 16, 1932, shows that the total expenditures for river and harbor improvements from the beginning of our Government to June 30, 1932, amounted to \$1,355,877,301.32. The statement is as follows:

	New work	Maintenance
Atlantic coast harbors.....	\$276, 208, 555.35	\$83, 627, 913.57
Gulf coast harbors.....	85, 811, 659.54	51, 843, 300.30
Pacific coast harbors.....	67, 864, 446.37	26, 316, 458.76
Mississippi River system.....	377, 227, 994.18	61, 174, 183.25
Intracoastal waterways.....	47, 818, 948.41	8, 746, 083.35
Great Lakes.....	154, 798, 520.23	40, 569, 220.84
Inland waterways.....	38, 402, 939.10	17, 137, 604.55
Hawaii harbors.....	9, 410, 648.78	616, 611.79
Alaska harbors.....	1, 614, 388.19	315, 608.61
Puerto Rico harbors.....	2, 671, 061.57	529, 429.66
Sacramento River, Calif.....	381, 814.93	2, 780, 879.49
Total.....	1, 062, 210, 977.15	293, 606, 324.17

This statement did not include expenditures for flood control on the Mississippi and Sacramento under the Flood Control Act, nor expenditures at Muscle Shoals for military purposes.

The statement shows a total expenditure of \$1,355,877,301.37, of which \$802,197,863.06 were upon seacoast and lake harbors and channels, including Hawaii, Alaska, and Puerto Rico, and only \$553,679,438.26 upon rivers and intra-coastal channels. These expenditures were made during a period of about 125 years, and approximately 67 percent of the total was upon coastal harbors.

The improvement of our seacoast and lakes harbors has practically very little bearing upon inland transportation by water. Out of a total of more than 200 such harbors only a small number is connected with the interior through rivers on which freights are transported. All these harbors, however, have interior connections through rail lines. Some of our principal ports have interior connections through 15 to 20 lines of railroad.

Our harbors are the connecting links between the ships and the railroads and are equally beneficial and necessary to both. It is there that the trains meet the ships, and their loads are transferred back and forth from one to the other. If such improvements constitute a subsidy to the ships, they also constitute an equal subsidy to the railroads.

Several lines of ocean ships engaged in the coastwise trade are owned and operated by railroads. The Morgan Line, for instance, is a part of the Southern Pacific System. It operates between Gulf and Atlantic ports and, like other

boat lines, has the full benefit of the free use of those ports maintained at Government expense.

The railroads also get the benefit of our improved harbors in the operation of their car-ferriage boats. These boats are operated by the railroads to some extent in nearly all the major ports of the United States. A large number of harbors on the Great Lakes have been improved by the Government almost exclusively for railroad use in transporting their loaded cars by boat. Congress has willingly provided the necessary waterway improvements for this purpose in order to facilitate the systematic movement of our commerce, whoever the carrier may be.

The car-ferriage traffic of the railroads over our improved waterways has become so enormous that a few illustrations may be of interest.

The great port of New York includes several hundred miles of docks, wharves, and navigable channels. Some of the different branches of the harbor are as follows: Bay Ridge and Red Hook Channel, Gowanus Creek, East River Channel, Newtown Creek, Buttermilk Channel, Wallabout Channel, Upper Bay Channel, Hudson River Channel, New York and New Jersey Channels, and Harlem River Channel.

On these 10 branches of New York Harbor improved by the Government, the car ferryboats operated by the railroads in 1930 carried freight valued at \$14,560,005,900. This constituted more than 50 percent of the total commerce on those channels, the traffic handled by the ships being valued at \$13,224,034,207. Baltimore, Norfolk, New Orleans, San Francisco, and various other ports have had large volumes of car-ferriage traffic. At Galveston, the Government maintains a channel to Bolivar Peninsula for the exclusive use of the railroads in ferrying loaded cars to and from the piers on Galveston Channel.

The harbors of New Orleans and Key West, improved by the Government, accommodate railroad car ferry ships operating to Habana, Cuba, the loaded cars being switched to the rail lines at either end of the water haul.

The railroad car ferriage traffic on the Great Lakes has assumed large proportions. At Manistique in 1934 it was valued at \$16,808,300, while the freights handled by other boats amounted to only \$166,700.

At Kewaunee the car-ferriage traffic was valued at \$36,800,200, and all other boat traffic was valued at \$22,150.

At Frankfort the car-ferriage traffic was \$113,989,100, and other boat traffic only \$64,700.

Through Sturgeon Bay Canal the car-ferriage traffic amounted to \$16,911,200, and all other boat traffic was \$907,200.

Similar conditions exist at Menominee, Manitowoc, Grand Haven, Muskegon, and other ports. At the great port of Milwaukee the railroad car ferriage traffic amounted to \$139,501,800, while all the other boat traffic was \$98,637,300. At Rochester the car-ferriage traffic exceeded that of all other boats to the extent of approximately \$1,000,000.

The normal commerce on the Great Lakes, other than that handled by the railroad-car ferryboats, is about 100,000,000 to 120,000,000 tons. Those freights are handled by rail at both ends of the line. The bulk of this traffic consists of ore, coal, wheat, and fluxing stone, in the order named. It is all delivered to the boats by the railroads and delivered back to the railroads at the end of the water haul.

The railroads receive about 10 mills per ton-mile on these freights and the boats 1 mill per ton-mile. Without the cheap water haul for a great distance over the Lakes, none of this traffic would ever have been available to the railroads, with the possible exception of wheat, which may have moved by rail. These ports where all those bulk commodities are transferred back and forth between the water and rail hauls, have been far more beneficial to the railroads than to the boats.

The car-ferriage traffic on the Great Lakes was inaugurated in 1892 by the Ann Arbor Railroad Co. The first trip was between Frankfort, Mich., and Kewaunee, Wis. The service on Lake Michigan is now said to be the most extensive of its kind in the world. Trains arriving at a port on one side of Lake Michigan, the loaded cars are switched onto a huge ferryboat and conveyed across the Lake, a

distance of 60 to 120 miles, where they are switched back to the rail lines and continue their journey. The Government dredged and maintains the channels through which these boats operate. The savings to these railroads on account of this service runs into many millions of dollars each year.

The Board of Engineers of the War Department and the Bureau of Operations of the United States Shipping Board report that in 1930 four ferries were operated between Grand Haven and Milwaukee by the Grand Trunk Railway; nine between Ludington and Milwaukee, Manitowoc, and Kewaunee by the Pere Marquette Railway; six between Frankfort, Menominee, and Manistique, Mich., and between Frankfort, Manitowoc, and Kewaunee by the Ann Arbor Railroad.

Railroad ferry lines are also operated between Ashtabula and Port Maitland, between Ashtabula and Port Burwell, and between Conneaut and Port Stanley and Rondeau Harbor.

Between Detroit and Windsor six car-ferry lines are operated by four railroads—one by the Grand Trunk, two by the Wabash, two by the Canadian Pacific, and one by the Pere Marquette. These ferries are also extended to passenger-train service, including their loads of baggage, express, and United States mails.

Car ferries also operate across the Straits of Mackinac, the St. Clair River, Lake Ontario, and the St. Lawrence River, several of them including passenger-car and mail service for the railroads.

These railroad ferryboats are of steel construction, with capacity for 20 to 30 loaded cars, and now carry from 15 to 20 automobiles on the bows without loss of space for loaded railroad cars. They are also equipped with comfortable modern passenger accommodations.

These car-ferry boats have the benefit of continuous service across the lake throughout the year, while all other boats engaged there are forced to abandon service for at least 4 months in the year on account of ice. In all, there are 35 railroad car-ferry lines in operation on the Great Lakes. The boats are the largest type afloat on these waters. They make about 18 miles an hour and the railroads receive all the passenger, freight, express, and mail transportation charges, and the Government dredges and maintains the harbors and channels free of cost to them, the same as it does for all other boats engaged in traffic.

These car-ferry lines are the connecting links for a large number of railroads which are beneficiaries of this service. The volume, Transportation Series No. 1, issued in 1930 by the Board of Engineers of the War Department and the Bureau of Operations of the Shipping Board, on page 407 has the following to say upon this point:

[Transportation on the Great Lakes. Transportation Series No. 1 (revised 1930). Prepared by the Board of Engineers for Rivers and Harbors, War Department, and the Bureau of Operations, United States Shipping Board (p. 407)]

CONNECTING RAILROADS

A map has been prepared especially for this report showing the car-ferry routes on the Great Lakes and the rail lines of which the ferries are connecting links.

At Manistique the car ferries operated by the Ann Arbor Railroad connect with the Manistique & Lake Superior Railway, which in turn has connection with the Minneapolis, St. Paul & Sault Ste. Marie Railway (Soo Line). Practically all of the car-ferry commerce at this port is received from and delivered to the latter railroad. At Menominee the Ann Arbor ferries make connection with the Chicago & North Western Railway, the Chicago, Milwaukee, St. Paul & Pacific, and Wisconsin & Michigan Railroads. At Kewaunee the Ann Arbor and Pere Marquette ferries have connection with the Kewaunee, Green Bay & Western Railroad, which in turn connects with the Chicago & North Western; Chicago, Milwaukee, St. Paul & Pacific; and the Green Bay & Western at Green Bay. Manitowoc is the eastern terminus of a branch of the Soo Line, and has direct connection with the Chicago & North Western. Indirect connection at this port is had with the Ann Arbor and the Pere Marquette Railroads via car ferries from Frankfort and Ludington, respectively.

At Milwaukee the Pere Marquette car ferries from Ludington and those of the Grand Trunk from Grand Haven, have connection with the Chicago, Milwaukee, St. Paul & Pacific, Chicago & North Western, and Soo Line. The Michigan Central and Pennsylvania Railroads serve Mackinaw City and the car ferries of the Mackinac Transportation Co. make connection with the Duluth, South Shore & Atlantic Railway at St. Ignace.

The Pere Marquette and the Canadian National Railways reach Sarnia, Ontario, and the car ferry operated by the former railroad

connects with this carrier at Port Huron. Windsor, Ontario, is reached by the Pere Marquette, Wabash, and Grand Trunk Railways and the Canadian Pacific Railroad. The car ferries owned by the first three-named carriers connect with these railroads at Detroit. The Canadian Pacific ferries make connection with the Wabash at Detroit.

Two of the car ferries operating across Lake Erie, indirectly connect the Pennsylvania and New York Central Railroads at Ashtabula, with the Canadian Pacific at Port Burwell, and the Toronto, Hamilton & Buffalo Railway at Port Maitland, Ontario. Conneaut is reached by the Bessemer & Lake Erie Railroad and the car ferries of the Marquette, and Bessemer Dock & Navigation Co., operating from this port, make connection with the Pere Marquette at Rondeau, and the London & Port Stanley Railway at Port Stanley, Ontario.

The car ferries operating across Lake Ontario connect with the Buffalo, Rochester & Pittsburgh Railway at Charlotte (Rochester) on the American side and with the Canadian National Railways at Cobourg on the Canadian side. Ogdensburg is served by the New York Central, which connects with the Canadian Pacific at Prescott, Ontario, via car ferry.

A study of the question will convince anyone that our expenditures for waterway improvements for navigation have been of tremendous benefit to the railroads. Any statements by their officials to the contrary are merely for the purpose of gaining public sympathy in an effort to secure further subsidies. Even inland navigation has been greatly beneficial to the railroads as the unimpeachable record will show.

The greatest volume of inland water transportation has been in the Pittsburgh district, on the Allegheny, Monongahela, and upper Ohio Rivers. That is also the zone of the greatest density of rail traffic. The water-borne commerce of that district increased from 9,000,000 tons in 1900, to 40,000,000 tons in 1925. During the same period, the rail traffic increased from 57,000,000 tons to 173,000,000 tons. The cheap water transportation of raw bulk materials, built up great industries which produced many millions of tons of steel and other products which moved by rail, and at great profit to the railroads.

LONG- AND SHORT-HAUL RATES

Mr. GREENWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3263, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PETTENGILL. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this is a bill of great public importance. It is an unusual bill in the sense that it is only a page and a half long, and yet a good deal of study and patience is necessary to understand its application to the complex structure of American agriculture, industry, and transportation.

There is probably no man living who could answer off-hand all the questions which might be asked as to the detail application of the bill. For 49 years a Chinese maze of court decisions, rules, regulations, tariffs, and rate structures have grown up around the subject. And so, instead of becoming lost in a maze of detail, I shall attempt to sketch the subject in broad outline against the background of the common welfare of the Nation as a whole. Outside of passenger traffic, now two-thirds gone, railroads exist only to move goods from producer to consumer. The interests of shipper, buyer, and carrier are interwoven. The welfare of each is, in the long run, the welfare of all.

So, at the beginning, let us remember that this is essentially a shippers' bill and not a railroad bill. It originated as a shippers' bill, having been written and first sponsored by the National Industrial Traffic League, representing some 600,000 shippers throughout the Nation. As shippers, why

did they sponsor it? Only to reduce distribution costs, broaden markets, and quicken service. Shippers are not interested in railroads, as such. Their prime interest is to reduce costs to the buyer and thus enlarge the markets of the producers of the Nation.

Let us get this point straight. Practically every petition for relief against the long- and short-haul clause as now written, filed with the Interstate Commerce Commission, is filed only because some shipper asks the railroads how he can move goods into a market foreclosed to him by transportation costs.

Let me give two or three illustrations. Some years ago the newsprint industry of northern Michigan and surrounding territory wanted to get newsprint to the newspapers of the South to meet the competition of newsprint entering those markets by water, from Nova Scotia and Scandinavia. Unless they could meet the delivered price of their foreign competitors they would lose that market. They asked the railroads to obtain fourth-section relief. The railroads applied. The Commission denied the application and American workmen and capital stood idle.

Another illustration. I am told that Australian and Argentine wheat is now coming into the Southeast and American wheat from our Northwest is precluded from that market because the fourth section prevents the railroads from quoting Northwestern farmers freight rates that will permit them to move wheat to Florida and the Southeast in competition with wheat from abroad.

One more illustration from hundreds that might be given. The beet-sugar industry of Colorado and the West favors this bill. Why? Because they want to enter the great consuming markets of the East in competition with sugar that moves by water from Cuba and the Philippines.

This ought to make plain why occasions arise when railroads ought to be permitted to charge less for the long than for the short haul. Those occasions arise only when competitive conditions exist at the point of destination which make it necessary, in the interests of shippers and buyers, to do so. Otherwise, speaking broadly, freight rates ought to be in rough proportion to length of movement. But in quoting less for the long than for the short haul, when that is necessary, railroads do only what practically every producer does. Few people do all their business on the same margin of profit. They sell first where they can sell to the best advantage and then they sell their surplus for whatever they can get for it, provided it yields some profit, however small.

Railroads sell surplus transportation in the same way that producers sell surplus goods. The principle is exactly the same whether newsprint, wheat, or beet sugar. A truck farmer close to a county seat will haul tomatoes into that market two trips a day. His surplus tomatoes he will haul into the next county seat, one trip a day. His margin of profit is different at the two points. He gets less for the long than for the short haul. But he is glad to get into the distant market, even at a small profit. It helps carry his overhead of labor, taxes, interest, and so forth. But he could not exist if he had to sell all his goods at the margin prevailing at the distant point. No more can the railroads.

If the farmer had no wagon of his own to carry his tomatoes, he would ask some truckman to shave his price for carrying the produce to a distant market. If the truckman did not help him share the differential between the two markets he might not be able to enter the market at all, and his surplus tomatoes would rot on the ground, as surplus freight cars now rust on the tracks.

A like principle is involved in the American farmer getting what he can in the domestic market and then shipping his surplus to foreign markets for a less margin of profit. Again he gets less for the long than for the short haul, but if the price for all farm products was that which obtains in the foreign market he could not carry on at all.

Even goods nationally sold at a uniform price, for example, the Saturday Evening Post, do not and cannot yield the same profit delivered at Seattle as in Philadelphia.

The bill therefore is designed to do what shippers, notably agriculture, have clamored for for years, that is, reduce distribution costs, broaden markets, foster competition, and increase the standards of living of all our people through reducing the cost of living and increasing the total volume of goods consumed by reducing unit costs. The bill in its long-run effect cannot but tend to reduce freight rates generally and thus benefit 125,000,000 people by bringing the power to consume into better balance with our power to produce, which is our prime problem today. [Applause.]

If you are looking at the interests of the Nation as a whole, rather than the competitive position of some manufacturer or jobber of whetstones who wants his competitor eliminated from some market by prohibitive transportation costs, vote for the bill. The railroads and their workers can gain only if the Nation gains; that is, more goods moved from factory and farm to more consumers at less cost, in less time, and with less wear, tear, and damage, and moved by a carrier that pays more taxes and the highest wages of any transportation agency.

The fourth section was first written in 1887, in the first bill placing railroad rates and practices under Federal supervision. At that time the railroads enjoyed a practical monopoly of the transportation services of the Nation, and, as always happens when monopoly is unregulated, serious abuses prevailed with respect to secret rebates and discriminations between shippers and localities; I do not defend those abuses then and would not tolerate them now. But to carry over into conditions today the justified resentment and prejudice against railroad management that arose at that time is as foolish as keeping alive the passions that arose in the always to be regretted War between the States. We ought not to penalize shippers and railway employees of today with the inherited prejudices of a generation ago. Except for this inheritance, plus the rigidity of thinking that has prevented an open-minded approach, I am confident we would have long ago given the shippers and the rail carriers the flexibility necessary to keep pace with the increasing tempo of twentieth century civilization. [Applause.]

In 1910 the fourth section was tightened up, and in 1920 the screws were turned once more. For the moment let me pass over those technical changes and consider the situation as we find it today.

In 1887 the railroads had a monopoly, and abused it. Today there is no monopoly.

Since the fourth section was written the Panama Canal has been dug. Since then pipe lines have entered the transportation field. Since then electricity has learned to move "coal by wire", and Government-financed hydro projects are eating into the soft-coal industry, whose product once moved by rail. Since then hundreds of millions of tax money have been spent on river and harbor development. Since then the Federal Government has itself become a common carrier competing with the railroads, with its barge lines on the lower Mississippi, which are now to be extended on the upper Mississippi and Missouri Rivers. Since then Federal tax money has laid its ribbons of concrete in nearly every county of the Republic, upon which some 25,000,000 motor vehicles now move daily in the carriage of passengers and freight. Since then aviation has invaded the transportation field, aided by Federal subsidies. Since 1887, when the fourth section was first written, it is computed that the Federal Government alone, exclusive of States, has poured \$4,841,000,000 into these competing agencies and their rights-of-way for which, except for the Panama Canal, they pay nothing. A substantial fraction of that enormous sum has come from railroad taxation. For the Nation as a whole, 14 percent of railroad taxes go to build highways for their competitors to use. Other railroad tax money goes to subsidize rivers and harbors, merchant marine, and aviation. Meantime no aid has been given to the railroads, other than R. F. C. loans, to be repaid with 4-percent interest, to bail them out of the bankruptcy courts into which the Government has itself been pushing them.

It is true that in the early days railroads, particularly the transcontinental lines, were also subsidized by the grant of

lands from the public domain, lands which were worthless both to the Government and the railroads until the railroads themselves made them valuable. But with respect to these old Federal subsidies in aid of railroad development, it is to be pointed out that in consideration of them the railroads entered into perpetual contract with the United States Government to carry troops and munitions of war at half price. But with reference to these other subsidies, the recipients are under no obligation to the Nation. With them it has been more blessed to receive than to give.

We now have five large agencies of transportation, whereas in 1887 the railroads had a practical monopoly. These five are the railways themselves, pipe lines, waterways, highways, and airways. Of the five, the railroads alone are hamstrung with the long- and short-haul section. While they struggle to obtain relief from it, their competitors take their customers from them. They are like fighters in the prize ring, with one fighter's hands tied behind his back while his antagonist is free to cut him to ribbons. Looking, therefore, at the whole national picture rather than the interest of any transportation agency, I submit that the railroads are entitled to have these legislative handcuffs removed in the interest of moving goods from producer to consumer.

Neither the truck-and-bus bill of last summer nor the water-carrier bill now pending puts these competing agencies under the long- and short-haul restriction. It is literally true that a shipload of lumber can be legally moved from Seattle to Boston for less than from Seattle to Portland, if necessary to prevent the railroads from getting the traffic.

Mr. Eastman has suggested that the way to do equity among rails, ships, and trucks is to place them all under the long and short haul. The ships and trucks would object to this violently. Moreover, for trucks and ships the idea is wholly impracticable, for the reason that they are not tied to fixed routes and so could circumvent the law if applied to them.

To carry over the fourth section into the highly competitive transportation conditions of today is a legislative anachronism.

No one, of course, can attribute the plight of the railroads to the fourth section alone. Nor would I give the railroads a single legislative privilege over competing agencies. I would, however, remove the legislative advantage which competing agencies now have over railways, because they are free from the fourth section and the railroads are bound and hampered with it.

As Commissioner Eastman has said, "No public regulation should be provided merely for the purpose of protecting one form of transportation against another."

Despite the remarkable recovery which the Nation as a whole has had since the low point of 3 years ago, the Nation's largest industry is the Nation's sickest industry. You are bound to consider its welfare with the welfare of other interests. The cold hard fact is that more railway mileage went into bankruptcy and receivership in 1935 than in any year in the history of the Republic, not excepting the panic of the early nineties. Their ability to move goods, to buy goods, to employ men, to pay taxes, and to maintain service is a matter of grave concern. The contagion of railway sickness is a slow paralysis that creeps over the entire Nation.

In normal times the railroads buy everything from pins to locomotives. When they are not in the market for goods business and employment stagnate. Twenty-six railroads alone out of 800 buy from 7,816 companies in 1,661 towns in all the States.

The roads normally buy one-fifth of all the coal, iron, steel, and forest products of the Nation. To further itemize their contribution to national welfare the roads are normal buyers of \$2,000,000 worth of linen and cotton sheets. Another \$1,000,000 goes for crockery, another \$2,000,000 for gasoline, and so on for thousands of items. From 1923 to 1934, good years and bad, railways spent for material and supplies \$13,274,211,000, and in the same period for permanent betterments and additions to plant \$7,587,481,000, a total of \$20,861,692,000. All this is exclusive of pay rolls, taxes, and returns to capital, easily twenty-five or thirty billion more.

These expenditures contrast with the relief appropriations with which we are trying to conquer the depression.

The importance of the railways as taxpayers is not to be overlooked. They normally pay for the support of Government \$1,000,000 a day. Forty-six percent of this went to support public schools, 14 percent went to build highways for their competitors to use. Out of every gross dollar of revenue water carriers pay to support Government nine-tenths of 1 percent. Railroads pay 8 cents, or nine times as much.

The repeal of the long and short haul simply places the railroads on terms of competitive equality with other carriers—no more, no less. Other sections of the interstate commerce clause remain in full force and effect to prevent discrimination against shippers, localities, or competing carriers. The burden of proof to justify proposed rates remains on the railroads. But the repeal will give the railroads a chance to fight for their economic lives on an equal field. After that, let the best man win.

It is time to give the roads a chance to put back to work thousands of the best workmen in America, both in transportation and in the durable-goods industries and the coal mines where the bulk of today's unemployment exists.

We have, as President Roosevelt once said, "a human as well as an economic problem." Railroad workers are home owners and community builders. Seven hundred thousand have been dismissed, many of them past the industrial dead line, forbidding their reabsorption in other employment. I speak for them and their families—your neighbors and friends. It is time to see that more of them are not pushed onto the industrial scrap heap because their chance to earn their daily bread has been taken away from them by competing transportation agencies, subsidized from the Public Treasuries, and free to run wild. [Applause.]

We have a duty to consider the welfare of railway workers equally with all other workers. Their record of service and citizenship entitled them to not be the "forgotten man" of recovery legislation.

Let me tell you something. Last year the 800 class 1 railroads of America did not lose the life of a single passenger in a passenger-train accident. That would be remarkable for any one of the 800 roads. For all 800 it is almost incredible, but it is true. It is one of the greatest epics of American business. Because of it a million men are entitled to honor—the man at the throttle, the brakeman, the conductor, the man in the signal tower, the unsung hero in jeans who in sleet and snow and fog and flood kept straight the track for the "iron horse." This was all done under the most adverse circumstances. All roads were in financial difficulty, many in actual bankruptcy, all economizing every cent of shrinking revenues.

At a time when it is popular to charge large-scale enterprise with piling up profits at the expense of human lives, I am glad to say in rebuttal that last year our railroads delivered every one of their passengers safely to their homes.

The total was 18,000,000,000 passenger miles without the loss of a passenger. Let me translate that for you. It is equivalent to carrying every human being on the globe 1 mile and then the inhabitants of eight other planets equally populated, if any. In terms of 1 passenger it would take him to the moon and back 47,000 times, or every day for 130 years.

It is time to stop kicking the railroads around.

While the railroads were making that marvelous record, trucks, busses, and private automobiles sent 36,000 Americans to their graves, many of them killed by drunken drivers who warm up their morning hates by cussing and damning the railroads.

In saying this I wish again to emphasize that we ask no favors for the roads. We ask only for fair play on an equal field. Water carriers and trucks and busses all have an important part to play. Each is fitted to perform some service best. I believe the rails, trucks, and ships will be coordinated as we progress. The trucks can best handle a great deal of short-haul traffic. They will take the place of railroad spurs and branch lines. In fact, 11,000 miles of rail

trackage has already been abandoned—enough to cross the continent three times and more. The rails are now using the trucks for pick-up and delivery service. But for certain forms of transportation, especially long hauls of fast-moving freight, the railroads are indispensable to the prosperity of the entire Nation as well as its defense in time of war. Note page 8 of the report, what the rails would be required to do to protect the west coast if we ever have trouble on the Pacific. In time of emergency it is the rails that "carry on."

It may be asserted that if the bill passes, ancient abuses will reoccur. They cannot under competitive conditions. Again quoting Mr. Eastman, "The ability of the customer to use alternative modes of transportation" imposes a limitation upon railroad rates and practices that cannot be disregarded. Even if there were no law, competition today would free customers of transportation from the necessity to submit to abuses.

Nevertheless, the law against abuses remains in full force and effect. See pages 2, 3, and 4 of the report. I challenge any opponent of this bill to point to any possible abuse for which a legislative remedy is not fully available.

The bill simply gives the roads the right to file proposed rates for all shipments, the same as they now do for every shipment in which the long and short haul is not involved. All rates will be handled in exactly the same way. If there is no objection, the rates go into effect in 30 days instead of waiting months and years for I. C. C. approval—often denied. If there is objection, the bill puts on the rails the burden of proof to justify the proposed rate as fair, just, reasonable, and nondiscriminatory within the other provisions of the Interstate Commerce Act, all of which remain in full force and effect. Even if there is no objection, the Interstate Commerce Commission may suspend the proposed rate on its own motion and may fix maximum and minimum rates as they do in all other cases. The public interest remains fully protected. The Commission will continue to have full power to prevent the rails from doing anything that Congress ever intended they should not do. This is expressly admitted by Mr. Eastman.

Let us give the roads and those who use them a new deal and a square deal from the Government. [Applause.]

The following is a list of large shipping organizations supporting the bill:

American Fruit and Vegetable Shippers Association, Chicago, Ill.
 Utah Coal Operators Association, Salt Lake City, Utah.
 Radio Steel & Manufacturing Co., Chicago, Ill.
 Williams Traffic Service, Inc., New York City (traffic managers for about 500 shippers and receivers of merchandise).
 Indiana Limestone Corporation, Bedford, Ind.
 Furniture Manufacturers Association, Evansville, Ind.
 Winrich Motor Co., Corpus Christi, Tex.
 Two States Fruit Package Co., Texarkana, Tex.
 San Jose Tractor & Equipment Co., San Jose, Calif.
 Valley Meat Co., Marysville, Calif.
 Glass Wholesalers Association of Southern California, Los Angeles.
 West Coast Lumbermen's Association, Seattle, Wash.
 Valley Oil Co., Adrian, N. Dak.
 Transportation Club of Des Moines, Iowa.
 J. I. Case Co., Racine, Wis.
 Oregon Fuel Merchants Association, Portland, Ore.
 Commercial Traffic Managers of Philadelphia.
 Cincinnati Traffic Club, Cincinnati, Ohio (440 members).
 Miami Valley Traffic Club, Dayton, Ohio (275 shippers and railroad men).
 Aaron Ferer & Sons, Inc., Omaha, Nebr.
 Florida Citrus Exchange, Tampa, Fla.
 Pacific States Cast Iron Pipe Co., general office, Provo, Utah (city office).
 Yakima Valley Traffic and Credit Association.
 Wenatchee Valley Traffic Association, Wenatchee, Wash.
 Metropolitan Traffic Association, New York City.
 Traffic department St. Paul Association of Commerce.
 Jacksonville (Fla.) Warehousemen's Association.
 Traffic bureau, Chamber of Commerce, Sioux Falls, S. Dak.
 Tripp (S. Dak.) Commercial Club.
 Chamber of Commerce, Alexandria, Minn.
 Cass Lake (Minn.) Commercial Club.
 Wilcox Produce Co., Portland, Ore.
 Burton-Walker Lumber Co., Ogden, Utah.
 Chamber of Commerce, Needles, Calif.
 Chamber of Commerce, Napa, Calif.
 Hon. Elmer Holt, Governor of Minnesota, "This bill seems to be of the greatest importance."

Horder's, Inc., Chicago (stationery stores).
 Johnson Wholesale Co., Idaho Falls, Idaho.
 Progressive Irrigation District, Idaho Falls, Idaho (600 voters in the district).

Hillman Packing Co., Salem, Ore.
 Nelson Brokerage Co. (food products), Los Angeles.
 Bullseye Instrument Co.
 W. J. Voit Rubber Co., Inc., Los Angeles.
 Joseph & Katz (factory agents), Los Angeles.
 Findlay Millar Timber Co., Los Angeles.
 Henry-Wrape Co., Paragould, Ark.
 Clafin Clarion, Clarion, Kans.
 Miller Provision & Cold Storage Co., Salina, Kans.
 Adrian Equity Elevator Co., Adrian, N. Dak.
 Turtle Mountain Cooperative Association, Fort Totten, N. Dak.
 Andrews Grain Co., Sykeston, N. Dak.
 The Armand Co., Des Moines, Iowa.
 F. W. Fitch Co., Des Moines, Iowa.
 E. F. Burlingham & Sons (seedsmen), Forest Grove, Ore.
 Amity Seed & Grain Co., Inc., Amity, Ore.
 Spaulding Pulp & Paper Co., Newberg, Ore.
 W. P. Brown & Sons Lumber Co., Louisville, Ky.
 Gladding, McBean & Co., San Francisco, Calif.
 Elmont Lumber Co., Chicago (purchasers of lumber on Pacific coast).

R. J. Kline, J. P., Butte, Mont.
 Cascade Milling & Elevator Co., Cascade, Mont.
 Hon. W. E. Martin, mayor of Glendive, Mont.
 F. A. East & Co., Hathaway, Mont.
 N. M. Jensen, Lindsay, Mont.
 Fairmont Canning Co., Fairmont, Minn.
 Red Wing Milling Co., Red Wing, Minn.
 Garden Vallet Telephone Co., Erskine, Mont.
 A. Kaiser, president, First National Bank, Bagley, Minn.
 Hon. W. J. Kirkwood, mayor, Crookston, Minn.
 Globe Milling Co., Perham, Minn.
 Farmers Elevator & Trading Co., Eldred, Minn.
 Fostoria Pressed Steel Corporation, Fostoria, Ohio.
 John W. Tuthill Lumber Co., Sioux Falls, S. Dak.
 A. J. Danks (merchant), Lake Andes, S. Dak.
 B. Skidmore (clerk), town of Delhi, La.

The following tables illustrate various phases which I discussed in my speech:

STEAM RAILWAYS OF CLASS I

Purchases of materials and supplies

1923	\$1,738,703,000
1924	1,343,055,000
1925	1,392,043,000
1926	1,559,032,000
1927	1,395,928,000
1928	1,271,341,000
1929	1,329,535,000
1930	1,038,500,000
1931	695,000,000
1932	445,000,000
1933	465,850,000
1934	600,224,000
Total	13,274,211,000

Expenditures for additions and betterments to railway plant

1923	\$1,059,149,000
1924	874,744,000
1925	748,191,000
1926	885,086,000
1927	771,552,000
1928	676,665,000
1929	853,721,000
1930	872,608,000
1931	361,912,000
1932	167,194,000
1933	103,947,000
1934	212,712,000
Total	7,587,481,000

Number of employees

1923	1,857,674
1924	1,751,362
1925	1,744,311
1926	1,779,275
1927	1,735,105
1928	1,656,411
1929	1,660,850
1930	1,487,839
1931	1,258,719
1932	1,031,703
1933	971,196
1934	1,007,702

Employees and wages, 1934

Number of employees	1,007,702
Total compensation	\$1,519,351,725
Average compensation:	
Per hour	\$0.635
Per annum	\$1,508

Rates and fares, 1921 to 1934

	Freight receipts per ton-mile (cents)	Passenger receipts per passenger-mile (cents)
1921	1.275	3.086
1922	1.177	3.027
1923	1.116	3.018
1924	1.116	2.978
1925	1.097	2.938
1926	1.081	2.936
1927	1.080	2.896
1928	1.081	2.850
1929	1.076	2.808
1930	1.063	2.717
1931	1.051	2.513
1932	1.046	2.219
1933	.999	2.013
1934	.978	1.918

Taxes

1920	\$272,061,453
1921	275,875,990
1922	301,034,923
1923	331,915,459
1924	340,336,686
1925	358,516,046
1926	388,922,856
1927	376,110,250
1928	389,432,415
1929	396,682,634
1930	348,553,953
1931	303,528,099
1932	275,135,399
1933	249,623,190
1934	239,624,802

Distribution of railway taxes

	Per cent
Schools	45.8
Highways	13.9
Other purposes	40.3

Car loadings

1929	52,827,925
1930	45,717,079
1931	37,151,243
1932	28,179,952
1933	29,220,052
1934	30,845,960
1935	31,518,372

1935 car loadings

	Per cent
Grain and products	5.0
Livestock	2.3
Coal	19.5
Coke	1.1
Forest products	4.4
Ore	3.1
Merchandise (L. C. L.)	25.8
All other products	38.8

Railway purchase, 1934

Coal and all other fuel	\$217,294,000
Forest products (including ties)	64,271,000
Steel rails	31,107,000
Other iron and steel products	128,651,000
Air-brake materials	9,485,000
Electrical materials	10,545,000
Automotive equipment and supplies	2,851,000
Other metal products	22,482,000
Oils and greases, waste, etc.	13,705,000
Ballast	6,230,000
Cement	1,763,000
Painters' supplies and chemicals	18,062,000
Rubber and leather goods	4,969,000
Stationery and printing	12,884,000
Commissary supplies (dining car, etc.)	11,647,000
Train and station supplies and miscellaneous	44,278,000

Total 600,224,000

Rail- and water-carrier taxes

Taxes per dollar of gross revenue:	Cents
Rail	8
Water	(¹)
Taxes per ton handled:	
Rail	30
Water	5

¹ Nine-tenths of 1 cent.

NOTE.—Authority: Freight-traffic report (1935) of Federal Coordinator Eastman.

(Mr. PETTENGILL asked and was given permission to extend his remarks by inserting the list and tables above referred to.)

The CHAIRMAN. The gentleman from Indiana [Mr. PETTENGILL] has consumed 33 minutes.

Mr. COOPER of Ohio. Mr. Chairman, I yield myself such time as I desire.

The CHAIRMAN. The gentleman is recognized for 1 hour.

Mr. COOPER of Ohio. Mr. Chairman, it would be impossible for me to discuss this measure in the very able way that my colleague from Indiana [Mr. PETTENGILL] has discussed it. I wish I could. I am going to try to express my views on this legislation from the standpoint of a layman—not a lawyer.

I have been a member of the Committee on Interstate and Foreign Commerce for a great many years, and, while I do not know everything about transportation and railroad legislation, yet I do try to inform myself on all these important subjects relating to this question.

Mr. Chairman, I believe we are prone to condemn the railroads for many shortcomings and for their failure to do for themselves those things which might increase their traffic, reduce expenses, and enable them to keep their rates low. We also expect them to get sufficient revenue, out of which they contribute heavily in taxes, to the States and Federal Government, to the extent of about 8 cents per dollar of revenue earned.

We also expect them to employ more than a million workers at good wages under reasonable service and working conditions. We regulate them to the last degree in everything they do. The Federal Coordinator of Transportation, Commissioner Eastman, within the past year has found that water carriers pay taxes representing less than 1 cent per dollar of revenue earned, as compared with 8 cents paid by the railroads per dollar of revenue earned, and that motor transportation contributed in taxes, on the average, of from 2 to 4 cents per dollar of revenue earned. But, out of these low taxes imposed upon motor and water carriers, we provide them with publicly constructed highways and waterways over which they operate.

I have been informed that it costs the railroads more than 30 cents per dollar earned to provide for the maintenance of their tracks and rights-of-way. When we compare this situation confronting the railroads with the benefits which the public gives to water and motor carriers for the few cents they pay in taxes per dollar of revenue earned, this is not an equitable treatment toward the railroads to start with.

It is my opinion that the long- and short-haul clause in the Interstate Commerce Act, to a great extent, prevents the railroads from entering the field of competition with water-carriers who are practically free of rate regulation, and furnished free harbors and many other benefits at the expense of the taxpayer, which the railroads do not receive. At the present time, by reason of the long- and short-haul clause, the railroads are powerless to protect themselves against their subsidized competitors, who are operating, in some degree, on funds out of the Public Treasury. In other words, the law as it now stands, prohibits the railways from fixing a rate that will give them an opportunity to compete with the motor- and water-carriers.

It is true at the present time the Interstate Commerce Commission is given authority to grant relief to the railroads in special cases and under certain conditions. However, the records show that the law is so administered that not only are there long delays, but also relief is not usually granted which will give to the railroads the right to establish competitive rates low enough to enable them to get a fair share of the traffic available. For example, on iron and steel from the Pittsburgh and Youngstown districts to the Pacific coast, the Commission has refused to permit the all-rate routes to put into effect rates that will equalize the rates—including all incidental charges—applicable, via the routes through the north Atlantic ports and thence via the routes of intercoastal water carriers. This is true of iron and steel from interior mills scattered between Pennsylvania and Colorado. I believe my colleague from Colorado will bear me out in this.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit me, since he has mentioned Colorado, to interrupt?

Mr. COOPER of Ohio. Certainly.

Mr. MARTIN of Colorado. I expect in my own time to show that the steel mills in my home city of Pueblo, Colo., cannot even get into Houston, Tex., on a direct rail line.

Mr. COOPER of Ohio. I thank the gentleman for his contribution.

In doing so, the Commission has eliminated many of the interior iron and steel mills.

In like manner, the Commission has refused to permit the railroads to establish rates on iron and steel from Pittsburgh, Pa.; Youngstown, Cleveland, Middletown, Ohio; Chicago, Ill.; St. Louis and Kansas City, Mo.; and the steel mills of Colorado, to Texas gulf ports and adjacent points necessary to meet the competition of water-carried steel from other sources of supply, including foreign countries. In doing so, the Commission has eliminated many of the interior iron and steel mills from the business along the Gulf coast which they formerly enjoyed. These are but typical of hundreds of other industries who are in the same situation which was brought to the committee's attention.

And this accounts for the fact that hundreds of interior industries have dried up since the long- and short-haul clause was put into effect. Today representatives of thousands of industries and communities are demanding that the railroads shall again be given an opportunity of exercising their own initiative in establishing rates, subject, of course, to other sections of the Interstate Commerce Act, which require that all rates shall be reasonable, self-sustaining, and nondiscriminatory. The railway people are constantly on the ground with the shippers and are in a better position to determine what rates are necessary to move traffic. Under the long- and short-haul clause, we have gradually stripped the railways of much of the traffic they formerly handled. We have turned large tonnage over to subsidized forms of transportation which if now regulated at all are subject to no such stringent supervision as the railroads are. In practical effect, to some extent, we give to these subsidized forms of transportation a monopoly of the traffic that they choose to transport. Every railroad employee in the country is requesting the passage of the Pettengill bill, which is now before us for consideration. We are aware that there has been a great reduction in the ranks of railroad employees during the period of the last 5 years. Now I do not claim this heavy reduction in the employment of railroad labor is due to motor and waterway competition entirely. There is no question but what the depression of the last 5 years was a very strong factor in reducing railroad employment. It is my opinion, however, that a substantial part of the reduction in railroad labor at the present time is attributable to the competition of motor and water carriers.

I have a very warm feeling in my heart for railroad labor; and if I may be pardoned a personal reference at this time, for 17 years I sat in the cab of a locomotive and was elected from that locomotive cab to Congress. [Applause.] I know the work of a railroad employee. There are no better, higher-class, more intelligent or patriotic workmen in America today than the railroad employees. [Applause.]

I shall never forget how proud I was after firing a locomotive for 4 years when one Saturday afternoon the assistant foreman of engines came to the locomotive I was firing and said to me: "John, you are up for promotion, and we want you to take charge of a locomotive tomorrow. We will call you in a little later on and give you the examination." It was something I had waited for for 4 long years. I wanted to get over onto the right side of the cab. I see my colleague JOHN MARTIN smiling, because he was a locomotive engineer at one time. [Applause.]

Mr. MARTIN of Colorado. If the gentleman will permit an interruption, I just want to say to him that he would wait 14 years now and then some before promotion came.

Mr. COOPER of Ohio. I remember how I hurried home. There were not many automobiles running in those days, and I had to walk about 3 miles. I went into the house and broke the news to my good little wife. It is not necessary for me to tell you she was pleased and proud. Then I

went down town that evening and bought myself a new suit of Sweet-Orr overalls, and a new cap, and a pair of gloves with gauntlets that came way up to my elbows. I got to work an hour before starting time the next morning and put enough oil on that old pot to take it from here to San Francisco and back. [Applause.] Then I went to the telegraph office to get my orders. The operator gave me my orders, and I took them to the engine cab. It was a rule of the company that the fireman had to read the orders out loud to the engineer, so I handed him the orders, and I made him read them to me. That was one of the proudest moments of my life. I have those orders at home. I can tell you what they were. The 31 order was: "277 and 279 will wait at Struthers until 9:10 a. m. for extra 338 east." So you see I have a warm feeling of love in my heart for the railroad workers.

The railway workers are fully aware of the seriousness of competition facing the railroads by other means of transportation, namely, bus, truck, and waterways. They likewise realize that this competition is here to stay, that it is permanent. They have no desire to impose any unfair regulation or the destruction of this competition. I believe in water transportation, it has its place in our economic life. All they request is justice and fair play from Congress and an opportunity to meet their competitors on fair and equal footing and thereby be assured of their positions, which will enable them to make an honest living for themselves and those dependent upon them.

It is time that Congress gave to the railroads, their employees, the shippers, and the communities dependent upon them, a square deal and an equal opportunity to share in the movement of commerce in all parts of our country, and this we can do by providing more equitable and fairer regulation. The enactment of the Pettengill bill, which is now before us, is a step in this direction. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I shall not attempt to vie in eloquence with the distinguished gentleman from Indiana [Mr. PETTINGILL], who would have swept us off our feet by his stirring appeal in behalf of the railroads. I have no quarrel with the railroads. I have no complaint of the workmen on the railroads. I shall not try to take you on a transportation trip to the moon or parts away from this mundane sphere. I want to discuss with you for a little while this bill and the effect of this bill upon the shippers of the country.

I agree with the gentleman from Indiana that the first consideration for the Members of the House is the best interest of the people of the Nation. Regardless of railroads, regardless of railroad employees, regardless of water carriers, and regardless of seamen on the ships, the first and primary consideration here is the best interest of the shippers of this country.

With this point in view, I want you to consider the bill that you are asked to vote on today. It states:

That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act.

In other words, Mr. Chairman, the only limitation imposed by this act is that the through rate shall not exceed the aggregate of the intermediate rates. You may take two terminal points, say A and Z. You can run point B up as high as you please. You can run point D up as high as you please. You can come on down through the line and run them up as high as you please, and the only limitation is when you come to the through rate you shall not exceed the aggregate of all these intermediate rates. There is absolutely no limitation on the minimum that may be charged as a through rate to be recompensed by higher rates on intermediate points. As was stated in connection with the rule, there is another important consideration that you must bear in mind, and that is the burden that is going to rest upon the shippers of this country to defend against higher rates. It is said that the burden still rests upon the carriers to justify the rate in the event of an attack. In other words, if on the intermediate line the

rate is increased, the carriers must justify it. But that is only if a shipper, or community, or the Commission itself attacks the rate. The carriers are under no duty to justify the rate as an initial proposition.

What does that mean? It means that the small town that you represent in the interior has to be represented by highly paid attorneys or skilled experts whose duty will be to watch the railroad rates as they are being filed and determine whether or not they are imposing an undue or an unreasonable burden upon that particular town. In other words, each community must be on guard. The Interstate Commerce need not do that work. It has many other things to do. That Commission is handling thousands of rates. Applications are coming in all the time from every source and of every conceivable character. Before you know it the rates are going to be increased to points in the interior. How are you going to escape that?

The gentleman from Indiana, notwithstanding his eloquence, admitted that a short time ago—I think in 1935—there was more railroad mileage in bankruptcy than at any other time in the history of the country. Are they going to make this up out of the water-borne commerce if they get all of this water-borne commerce? If they do get the \$40,000,000 which is paid for water-borne commerce carried through the Panama Canal, what will that mean? It is not more than a drop in the bucket when we consider the railroads' gross revenue of \$3,000,000,000. How are the railroads going to escape getting in the red and keeping in the red except by raising the rates to intermediate points? Especially is this true if they are going to bring the rates down at the more distant points to meet water-borne competition. That is all there is to this matter. The carriers wish to escape the necessity of justifying these rates when they put them in.

Mr. Chairman, what treatment have they received from the Interstate Commerce Commission? According to the arguments which have been made here today, the bill that is introduced should not be a bill to abolish the long and short haul. It should be a bill to reorganize the Interstate Commerce Commission and remove this agency that they say is imposing upon them these unreasonable burdens. I can state you case after case in which the contrary is true. Take the rates on citrus fruit from Florida. The Interstate Commerce Commission reduced the rates for the railroads to meet the competition of water carriers, even going to the extent of reducing the rates on the day when the vessels of water carriers are at the docks and then increasing the rates on other days. They say themselves that the Commission has ample power now to meet the long- and short-haul provision. Mr. Eastman said, when he appeared before the committee, that relief had been granted in 120 out of 150 cases that had been before the Commission.

Take the case of the rates in the Mississippi Valley. From New Orleans to Chicago the distance is 900 miles; there is water transportation as well as rail transportation. The Interstate Commerce Commission has permitted the rail lines to make a rate on sugar of 34 cents per 100 pounds, or 7.5 mills per ton-mile, from New Orleans to Chicago, while from New Orleans to Kansas City, a distance of 866 miles, the Commission has allowed the rail lines to charge a rate on sugar of 65 cents per 100 pounds, or 15 mills per ton-mile. From New Orleans to Dubuque, Iowa, a distance of 1,000 miles, where there is water transportation, the Commission has permitted the railroads to publish a rate on sugar of 38 cents per 100 pounds, while from New Orleans to Des Moines, Iowa, a distance of 1,016 miles, where no water transportation exists, the Commission has allowed the railroads to charge a rate on sugar of 65 cents per 100 pounds, or 12.8 mills per ton-mile, which is 67 percent higher than the rate to Dubuque. In other words, the railroads are being permitted to meet this water competition. Coordinator Eastman stated that the Interstate Commerce Commission, in 120 cases out of 150 cases brought before it, had granted relief to the railroads because of water competition.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLAND. Mr. Chairman, I wish to call attention to the unemployment of railroad employees and what the trouble is there. The trouble is not with the water-carrier transportation. Railroad employees attach the decline in railroad tonnage and revenues since 1929 to the long and short haul. They disregard the economic depression and inroads made by the motor trucks. They did not complain in 1929 of the long and short haul in the act. Let us look at the figures, as shown on page 700 of the record.

The railroad employees in 1910 numbered 1,699,420. This number increased to 1,785,803 in 1917, or an increase of about 100,000, while they fell back in 1929, the year of our greatest prosperity, to 1,694,042, or 5,000 less than in 1910. The ton-miles of revenue freight carried—in millions—were 255,017 in 1910, 398,263 in 1917, and 450,189 in 1929. The number of ton-miles per employee, measured in ton-miles per employee, increased from 150,000 in 1910 to 223,005 in 1917, and to 265,748 miles in 1929. In other words, while the ton-miles of freight revenue carried almost doubled from 1910 to 1929, the personnel decreased by 5,000. It is obvious that the decline in jobs, the loss of positions, the placing of employees out of work, has not been due to the long and short haul, but to efficiencies in operation and to economies on the part of the railroads.

The number of ton-miles per employee increased from 150,000 in 1910 to 223,005 in 1917, and to 265,000, or an increase of 115,000 miles. Is this due to the long and short haul?

Mr. Chairman, the Interstate Commerce Commission, if it is not sufficiently protecting the railroads, can change its organization, but, as I have said, in 120 cases out of 150 they have granted relief. They have granted it in the steel case; they have granted it in the citrus case; they have granted it along the inland waterways. This measure means not alone the destruction of the carriers on the Panama Canal but it means the destruction also of water-borne commerce on the coast and the inland waterways. Are you willing to trust the railroads, when competition is destroyed, not to increase their rates and return to many of the conditions which existed in 1887? Upon their own confession the railroads are now facing bankruptcy. How is it possible for them now to reduce their rates to the more distant point without increasing their rates to the intermediate points in order to take care of additional losses?

This, gentlemen, is the crucial question before you. Are you willing to saddle upon your respective communities in the interior the burden of watching these schedules as they are submitted by the railroad carriers to see what additional burden is going to be placed upon that community? Are you willing to place upon your district the burden of employing highly paid lawyers or experts to defend you from these burdens? The average lawyer and the average man on this floor will find it about as difficult to read and interpret rate schedules as it would be for him, if he had never studied Greek, to undertake to read the work of Xenophon with only a Greek lexicon before him. [Applause.]

Mr. WOLVERTON. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I am interested in the passage of this legislation, particularly from the viewpoint of the railroad employee. The loss of business by the railroads to competitive forms of transportation has been so great that the passage of this legislation is a matter of great concern to all railroad employees.

Railroad employment is only one-half of what it was in 1920. Since 1929 there has been a decrease of 600,000 employees. In 1929 there were more than 1,600,000 railroad employees. Today less than 1,000,000 men and women are employed in railroad service. Men who have worked more than 20 years now find themselves out of service because of a lack in volume of business. These men were trained for railroad work and are at a terrible disadvantage in any other field. They are home owners and citizens of good standing. Their monthly pay is highly important in supporting local merchants and the general community. Surely, they are entitled to fair consideration in maintaining their employment and should be protected by their Government.

against unfair trade practices, particularly from the types of competition made potent because their employees on the average receive less compensation for their services and whose labor relations are not regulated.

The class 1 railroads of the United States have modernized their equipment, both plant and rolling, to such a degree that it would be conservative to say that they could handle 40 percent more business than they do at the present time without any material increase in their overhead outside of the increase in pay rolls. Without volume of business, the railroads will never be able to pay a reasonable return upon the valuation of the properties and, certainly, without increased volume of business, there is no way in which railroad unemployment can be relieved.

There is approximately \$26,000,000,000 invested in our railroads. Normally, their gross operating income is more than \$6,000,000,000 annually. But, because of general industrial conditions now existing and unfair competition permitted by Federal statute, that gross revenue has dropped 50 percent, to \$3,271,000,000, for 1934. We find, also, that only about one-half of the plant equipment is being used. We are all hoping and striving for a general reduction in the rail-rate structure. This necessary objective can only be accomplished by restoring to some semblance of normalcy the volume of freight the railroads handle.

The opening of the Panama Canal aggravated the difficulties of our transcontinental railroad carriers. Railroad employees recognize the necessity and the desirability of the Panama Canal, but we do protest against existing laws which make it impossible for transcontinental railroad carriers to compete with intercoastal water carriers, who were made potent as competitors only because they use the Panama Canal. Particularly do we protest when these competitors are in no way under the control of the Federal Government. They go unregulated, they do not have to publish their rates, are free to change them at will without previous notice, may pay rebates, give allowances, provide storage, perform special services, allow special privileges, and otherwise secretly and openly favor individual shippers. The record of the Interstate Commerce Commission clearly indicates that these special privileges representing compensations of several cents per hundred pounds are indulged in to a very considerable extent by the water carriers.

The testimony before the subcommittee clearly discloses that the intercoastal water carriers frankly admit that they have a monopoly upon the traffic between the Atlantic and Pacific coasts. That is made possible by the existence of the so-called long- and short-haul clause in the Interstate Commerce Act, because that statute prohibits the railroads from charging a lower rate for transporting commodities over a long distance than over a shorter distance. The passage of this legislation would still permit the Interstate Commerce Commission to exercise control of rates charged by the railroads, the railroads merely having the right of putting into force rate structures without prolonged and exhaustive hearings being held by the Interstate Commerce Commission prior to their going into effect. However, the Interstate Commerce Commission would still be empowered to suspend the rates if they deemed them unfair and unreasonable and not in the public interest.

Bus and truck transportation, water transportation, air transportation, and pipe-line transportation are not subjected to restrictions such as are carried in section 4 of the Interstate Commerce Act. Why, then, insist upon shackling an industry which has done more than its share to develop this country? An industry which built, maintains, and owns its operating roadbed and signal equipment, in direct contrast to the busses and trucks now, figuratively at least, in possession of highways, which were built and are maintained by the taxpayers; and also in contrast with water and air transportation, a large portion of whose operating cost is actually borne by the Federal Government. Why circumscribe the railroad industry with regulations preventing it from meeting competitors on a real competitive basis? Certainly you have given their competitors enough trade advantages already.

The intercoastal carriers enjoy more than a monopoly of the Atlantic-Pacific coast business. They go far into the interior, with the resultant demoralization of all other transportation. This is possible because section 4 applies to the railroad carriers but does in no way restrict any other form of transportation.

The effect on railroad-freight volume, due to the viciousness of the operation of the long- and short-haul clause is probably best illustrated by the undisputed testimony before the subcommittee of Mr. J. P. Haynes, executive vice president of the Chicago Chamber of Commerce. I quote:

"The Panama Canal record shows that the total tonnage carried by steamship lines between the eastern and western coasts of the United States (excluding east-bound oil in tank ships) increased from 1,961,874 tons of 2,000 pounds each in 1921 to 8,230,697 tons in 1929, which tonnage for the most part was traffic which the railroads had theretofore transported, and which they would now be transporting but for the Panama Canal. This tonnage includes all sorts of traffic, including heavy articles, such as iron and steel products, as well as manufactured articles of every variety, a substantial volume of which moved from points as far inland as St. Paul, Minn., and Moline, Ill., through the Atlantic seaboard and thence by boat. For example, the rate on hoisting machinery, carloads from St. Paul, Minn., to Los Angeles or San Francisco, Calif., all rail, is \$1.83 per hundred pounds, load minimum weight 30,000 pounds, while the rate from St. Paul to Baltimore by rail is 75 cents per hundred pounds, carload minimum weight, 30,000 pounds, and the boat rate from Baltimore to Los Angeles or San Francisco, through the Panama Canal, is 75 cents, making a combination rate via this rail and water route of \$1.50 per hundred pounds, as compared with the \$1.83 per hundred pounds rate via rail direct from St. Paul to these points. This is \$99 per car lower via Atlantic seaboard than via all rail direct. The all-rail rate on agricultural implements from Moline, Ill., to Pacific coast cities is \$1.86 per hundred pounds, minimum weight 24,000 pounds.

These agricultural implements can be carried by rail from Moline to the Atlantic seaboard for 54 cents per hundred pounds, and thence by boat through the Panama Canal to the Pacific coast for 55 cents per 100 pounds, making a total rate of \$1.09 per hundred pounds, a difference of 77 cents in favor of the rail-and-water route through the Panama Canal, or \$184.80 per car."

Certainly this undisputed testimony proves conclusively that the intercoastal water carriers have more than a monopoly of the Atlantic-Pacific business. It is cheaper to ship from St. Paul, Minn., by rail to Baltimore, then by boat to the Atlantic Ocean, down the coast, through the Panama Canal, and up the Pacific coast to Los Angeles or San Francisco than by rail direct, all because, by Federal statute, we have hamstrung the railroad carriers by persisting in not modifying section 4 of the Interstate Commerce Act. [Applause.]

For every ton of freight recovered by the railroads, they would give 2 hours of employment to 1 hour that remained in the transportation service by water.

In addition, the railroads pay approximately 7 percent of their revenue in taxes. The intercoastal water carriers pay less than 1 percent of their revenue in taxes, or about \$9 out of every thousand dollars taken in, while the railroads pay between seventy and eighty dollars per thousand dollars in taxes, or an amount almost nine times greater than the water carriers pay. Surely it is in the interest not only of fairness to the railroad carriers and their employees but likewise in the interest of the American taxpayer that a portion of this business should be restored to a real American industry.

It is generally agreed that the railroads are one of the strongest arms of our national defense. Surely, if we have learned any lesson from the World War, it is that our railroad transportation facilities must be kept in perfect order, particularly since in time of war we can expect the intercoastal water carriers to desert their regular trades for the more profitable foreign trade, as they did during the World War. Mind you, this desertion took place in 1915 and 1916, before the United States entered the World War.

If you measure our coast line and our border line, you will find that we have more land border than we have water border in transcontinental United States, all of which merely emphasizes the necessity of maintaining in a state of good condition not only actual railroad equipment but also skilled personnel who are able immediately to operate trains.

Railroad employees have always responded in emergencies, both to the call of their country and to help the railroad management. An example of this was the voluntary pay reduction of 10 percent taken by all railroad employees in October 1932. In addition to this voluntary pay reduction, the employees, in many instances, liberalized the contracts entered into with the railroad carriers. It is conservative to say that this voluntary pay reduction and the liberalization of said contracts represented a saving to the railroad carriers and ultimately to the consuming public of at least \$200,000,000 annually. Certainly the railroad employee comes to this Congress with clean hands, merely asking that the industry which employs them should be given a fair opportunity to meet cutthroat competition. In doing that I know they are upon a sound premise. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, my first understanding of the injustices involved in this bill came from a personal incident which happened more than 30 years ago. I was unable to find work in my home town in Kentucky, but secured a job in western Nevada, nearly 3,000 miles away. In moving the household furniture of my family the local freight agent did not have an exact quotation on the point in Nevada but he gave me the San Francisco rate, a point some 250 miles farther west. The amount involved, as I recall, was something like \$200, which I paid in advance. When I went to get my furniture on its arrival in Nevada I found I had to pay an extra charge of nearly \$100—not for any service rendered, but through a device known as the back-haul charge. From that day on I threw myself into a battle to eliminate this pernicious thing.

For 15 years the people of Nevada carried on an expensive and wearying struggle to free themselves from that blighting freight-rate discrimination, the back-haul charge. March 15, 1918, was the great day of victory when the shippers, the producers, the farmers of Nevada learned that we had secured terminal freight rates.

For 18 years we have been free from that discrimination, which by the passage of this bill will be returned.

I certainly have no desire to handicap in any way the hard-pressed management of the railroads of this country in their laudable efforts to create and secure more business. I certainly wish to do everything possible to promote the interests of the railroad employees.

But I cannot conceive of a situation which warrants legislation that will permit the railroads to give the shipper at Chicago the same coastal water rate that applies between New York or Baltimore and San Francisco, and then at the same time forces the consumer or producer at Reno, Winnemucca, or Elko to pay that rate plus the local rate to and from the port.

If Congress believes it the part of wisdom to move the Atlantic Ocean, by legislative action, from New York City back to Chicago, then by the same legislative action let us move the Pacific Ocean back to Reno, Winnemucca, Phoenix, or Salt Lake City. They are equally fair propositions, and we will end our controversy.

The producers, the farmers, the shippers of the West are the same type of American citizens as are those shippers of Chicago, and are entitled to the same treatment.

The Legislature of the State of Nevada, by resolution, has appealed to Congress not to pass this legislation. The State Farm Bureau of Nevada has taken similar action. The farmers, who are located in the interior, and consequently are the middlemen who would pay the proposed discriminatory freight rates, have protested against this legislation through their great national organizations, the National Farmers Union and the National Grange.

Let me quote from the railroad Coordinator's report, recently filed with this Congress, and which report is concurred in unanimously by the Interstate Commerce Commission:

All that they (the railroads) could hope to gain would be an opportunity to obtain additional traffic on a very low-cost basis of rates yielding some slight margin over the so-called out-of-pocket costs. However, such a cost is a fluctuating thing, dependent in part on whether or not it is necessary to operate more

trains to carry the additional traffic. If more trains become necessary, out-of-pocket cost rises sharply. Furthermore, if the railroads are permitted to make rates on this basis the water lines must be permitted to do likewise, and in their case it often happens that it will pay to take on ballast, which pays nothing. The prospects are, therefore, that unrestrained rate warfare will leave the railroads with an out-of-pocket loss and impoverish both groups of carriers.

In my best judgment, the employees and management of the railroads in the State which I represent cannot ultimately benefit except in very slight degree by the passage of this bill, while the business interests of my State would certainly suffer by its passage, through imposition of the blight of the old back-haul charge, with no service rendered, from which we escaped 18 years ago. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, as a Representative from the Middle West I have supported and will support every measure reasonably designed to reduce transportation costs. Years ago, while a member of the Minnesota Legislature, I helped to launch the movement for the construction of the St. Lawrence seaway. Later, as Governor of Minnesota, I appointed a commission to carry on the battle for a 9-foot channel in the upper Mississippi. I opposed an attempted merger of the Great Northern and the Northern Pacific Railroads, for I favor competition in transportation as well as in industry. Last year I voted against the bill placing truck lines under the I. C. C., because I believe it would result in rate increases; and when the bill to subject water rates to Federal regulation comes up, I shall fight it for the same reason.

I am supporting the Pettengill bill today because to me it seems to be the one measure that promises the promptest relief from a condition that for several years has been moving industries out of the Northwest and restricting the markets for its agricultural and industrial products. [Applause.]

Inasmuch as it has become a practice of late to ascribe to public men motives of which they never were aware, let me assure you at the outset that no railroad lobbyist ever asked me to vote for this bill. The persuasion has come from my own conviction that this legislation will be beneficial to the people of Minnesota and the Northwest.

That conviction has been strengthened by resolutions of the Minnesota State Legislature, the Minnesota Railroad and Warehouse Commission, the St. Paul City Council, the Minneapolis Junior Chamber of Commerce, the St. Paul Association of Commerce, the Mankato Chamber of Commerce, the Midway Club of St. Paul, the Northfield Lions Club, the Moorhead Chamber of Commerce, the Northwest Shippers Advisory Board, and other similar organizations.

My course is supported by the Farm Bureau, by the railroad brotherhoods, and a large number of industrial and business leaders who, like myself, view with concern the creeping paralysis that has come upon the economic life of the Northwest since the Panama Canal was built.

That interoceanic channel, projected to serve the needs of national defense, has influenced the business and industry of the country profoundly. It is no exaggeration to say that it has remade the economic map of America. It brought the regions east of the Alleghenies and west of the Rockies closer together, binding them to each other with the ties of cheap water transportation, but it isolated the interior. It placed the people of my part of the country, who had to rely on expensive railroad transportation to reach the seaboard, either to buy or to sell, under a disadvantage they have not been able to surmount. It was in order to remove that disadvantage, at least in part, that they sought water outlets to the sea. It is in order to overcome that handicap that they support this measure.

The effect of the Panama Canal was not felt immediately after its completion, for the war came, taxing the capacity of both railroads and ship lines. But after 1920 there was no more war tonnage to carry. Traffic dropped to normal, and every ton thereafter carried by ships in intracoastal commerce was a ton subtracted from what would otherwise have been hauled over rails.

It came to pass that most of the heavy, slow-moving, non-perishable freight moved from the east coast to the west and from the west coast to the east by water. Fast freight, like fruit from California, continued to move by rail, but most of it was eastbound, so westbound box cars went empty.

Only the interior was dependent on the rails for both fast and slow, perishable and nonperishable freight service. Accordingly, it happened that a larger and larger percentage of the cost of supporting the railroads fell upon the agriculture, industry, and commerce of the Middle West.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. Yes.

Mr. MARTIN of Colorado. The gentleman said a while back that the war period taxed both the land and water transportation. It is my recollection that the record is that the railroads alone carried not only all of the inland but all of the intercoastal traffic of the country during the war period, during which time the vessels ordinarily constituting Canal traffic had gone into European transportation.

Mr. CHRISTIANSON. For the reason that the tonnage carried between the United States and Europe was such as to tax the capacity of all seagoing ships.

Mr. MARTIN of Colorado. My point is that the railroads carried the entire load during the war period.

Mr. CHRISTIANSON. The entire domestic load.

The extent to which the burden of maintaining railroad freight service shifted to agriculture is strikingly indicated in the case of the Southern Pacific. Its receipts for carrying perishable and other agricultural products amounted to 13 percent of its total revenue in 1920 and 40.4 percent in 1932.

While 87 percent of the revenue available for the maintenance of railroad freight service came from nonperishable, nonagricultural tonnage in 1920, only 59.6 percent came from such tonnage in 1932. The Panama Canal had levied toll upon the Middle West.

There have, of course, been several reasons for the increase in railroad rates during the last two decades, but the chief reason was the loss of tonnage to competing forms of transportation. This has not only narrowed the base upon which operating costs and fixed charges, including taxes and interest on bonded indebtedness, had to rest, but it has definitely shifted the base toward that part of the country which is most dependent upon railroads for transportation—the Middle West.

The logical procedure for the railroads when confronted with the new water competition would have been to reduce rates to meet it. But it so happened that a Federal law stood in the way. The Interstate Commerce Act contained what is known as paragraph 1 of section 4, which provides that—

It shall be unlawful for any common carrier . . . to charge . . . any greater compensation . . . for a shorter than for a longer distance over the same line or route in the same direction.

That provision, conceived in the best of intentions, effectively barred any attempt upon the part of the railroads to meet water competition by reducing transcontinental rates, for they could not reduce such rates without also reducing rates between intermediate points correspondingly, and any such reduction would deprive the railroads of the revenue needed for operation on a solvent basis.

Section 4 was adopted before water competition had begun to be felt, while the railroads still had a virtual monopoly. In fact, the whole structure of rate regulation dates back to the period when the roads were in a position to charge all the traffic would bear. If there had been effective competition in transportation at the time the Interstate Commerce Commission was established, the history of rate regulation in this country would probably have been a different story. It was the absence of competition that created need for regulation. That regulation was designed, not to protect one form of transportation against another, but to protect the public against unreasonable rates and against discrimination between persons and communities. This was the general theory of rate regulation prevailing when the act of 1887 was passed.

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Since that time the picture has changed. Seagoing ships and river barges, busses and trucks, airplanes, and pipe lines challenge the railroads on every hand. It has now become necessary not only to protect the public against transportation companies but to protect the different kinds of transportation against each other. The railroads are vital, they are essential to the very existence of the country; they must be protected against such competition as would destroy them.

There is one school of thought which holds that the best way to protect the railroads is to put their competitors under the kind of regulation to which they are subjected. To that proposal I for one object, for it would inevitably lead not to a reduction of railroad rates but to an increase of other rates. The public would be mulcted. I should prefer rather to let the railroads reduce their rates to meet water competition, even if it should lead to the establishment of through rates considerably lower than the aggregate of intermediate rates.

The steamship lines fix any through rates that suit their convenience or their need to meet competition. To leave them free while keeping the railroads hobbled is to invite the destruction of the railroads or, as an alternative, the establishment of intermediate rail rates so high as to strangle the interior of the country, which is already gasping for breath.

The objection has been made that the reduction of through rates would result in losses that would be shifted to the intermediate shipper in that local rates would be increased to supply the revenue to carry the through traffic. Such is not the case, for not only must the through rate be high enough to carry the service but the intermediate rates must be such as the Interstate Commerce Commission would approve as fair and reasonable. The local rate structure is not disturbed by the present legislation. All this measure does is to permit the railroad companies to sell the use of their unused facilities at cost, thus spreading the overhead and passing on to the through shipper a part of the burden that is tending increasingly to be borne by the intermediate shipper.

It is said that the Interstate Commerce Commission can, under existing law, grant "long and short haul" relief, and that therefore there is no necessity for enacting this legislation. That argument is plausible but not sound. At times it takes up to 3 years to get relief, and often by the time it is given the situation has so changed that the order is ineffectual to accomplish its purpose; all the petitioner has to show for his trouble is canceled checks for attorneys' fees.

The better procedure is the one which will be followed when this measure becomes a law. The railroad company will file its long-haul rates and they will become effective unless and until suspended by the Commission.

Minnesota canners, using the products of Minnesota farms, cannot sell their product in Arkansas, Louisiana, Texas, and Oklahoma in competition with canners operating on either the Atlantic or the Pacific seaboard. The railroads are willing to make a through rate that would enable Minnesota to compete, but, although a long time has elapsed since relief was first sought, it has thus far not been obtained. The railroads are losing revenue, the canners have lost an outlet, and the farmers have lost a market for their product.

Minnesota formerly had an extensive paper industry, but today there are only three plants left manufacturing newsprint. New Orleans, Memphis, and St. Louis newspapers can obtain paper from Sweden and Canada at a cost lower than that of the Wisconsin and Minnesota product. After protracted and expensive hearings the Commission finally granted relief, but it was too late—many of our mills had already closed their doors.

Rates on lumber from the Pacific Northwest and from the South move to Minnesota at rates so high that the cost of building is almost prohibitive. Seattle lumber is much cheaper in New York than in Minneapolis, although the distance to New York is twice as great.

A carload of Seattle lumber can be shipped to Indiana by a combined water-rail route through the Panama Canal and an Atlantic seaport at no greater cost than by rail from Seattle direct.

The freight differential is such that Argentine corn can be unloaded at Portland or Seattle at a cost of \$3 per ton less than that of corn from Iowa or Minnesota.

Instances might be multiplied indefinitely, but these are sufficient to prove the case. The landlocked interior needs lower freight rates to overcome its distance from the sea. It needs protection against the new competition brought into existence by the Panama Canal. The people of the interior can secure lower through rates without paying compensatory increases on short hauls. They demand that the artificial handicap to which they have been subjected for 16 years be removed by the repeal of a restrictive provision that can have no proper application to the transportation of today. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, the railroads should be permitted to reduce their rates to competitive points only upon condition that they do not crucify the people in the interior. The great trouble with the railroads today is their rates to interior points are so high that they do not carry the proper amount of tonnage. The first consideration of a railroad in making money out of its transportation system is to secure volume of tonnage, and they have absolutely choked the interior sections by placing the freight rates so high that the people cannot afford to ship. The remedy is not in this discrimination that they are seeking through the enactment of this legislation. We have heard a great deal said today about fair play, but they do not take into consideration the shipper in speaking of fair play. It is simply a comparison between the transportation systems, and the shipper is left out of the picture. I am here today speaking for the shipper.

This bill would penalize every industry and every citizen in my congressional district. It would penalize every citizen and every industry in all these intermediate sections of the country. It has been said today that the reason why the fourth section was enacted in the first instance was because at the time it was enacted the railroads had practically a monopoly of transportation. How did they get that monopoly? They got it by choking out water transportation both on inland waters and in intercoastal traffic, and that is exactly what they want to do through the enactment of this legislation. That monopoly was secured because they had no interference from the Interstate Commerce Commission or from legislation by Congress. We would revert to that same status if we should enact this piece of legislation. Why was the fourth section enacted in the first instance? It was to prevent the discrimination the railroads had indulged in by giving a lower rate to more distant points than to points intermediate on the same line of transportation. That is discrimination. Nobody can justify discrimination. The fourth section was enacted to prevent that very thing, and today this bill is brought in for the purpose of repealing the fourth section. What would that do? The fourth section today provides:

That it shall be unlawful for any common carrier, subject to the provisions of this act, to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance.

The bill before us would repeal that provision. The fourth section further provides:

That this act shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance.

That provision is repealed by this bill. Then the fourth section further provides:

That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for a longer than for a shorter distance for the transportation of passengers and property.

That section is repealed, because the provision now is that in order to get relief from the fourth section the railroad company must go to the Interstate Commerce Commission with an application and make an affirmative showing that

it is entitled to the relief asked, but under this bill before us today it is provided that the railroad company will not have to do that. That provision is repealed. The railroad company may file its schedule of rates with the Interstate Commerce Commission, and let that schedule remain on file for 30 days, and then, unless someone comes in and protests, it goes into effect automatically without any affirmative showing by the railroad company.

The committee, as an afterthought, proposed an amendment to the bill, as follows:

And provided further, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act.

There is a joker in that committee amendment. It says "in any case." What constitutes a case? It is not simply the filing of the schedule of rates, but a case is made when someone comes in and raises the issue as to the schedule of rates filed.

That means that every small community and every large community that wishes to object to a schedule of rates must have someone qualified to present the case for that community before the Interstate Commerce Commission and raise the issue before there is any burden upon the railroad to justify that schedule. You know and I know, as a practical matter, that traffic experts and rate experts are not to be found in all these communities. The railroads may file one schedule after another and make it absolutely impossible for the rate expert, if one were available in the smaller community, to keep up with the schedules filed. It simply annuls any effort on the part of the Interstate Commerce Commission to hold these railroads within bounds as to these discriminatory practices.

The fourth section also contains a provision that in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from a more distant point that is not reasonably compensatory.

That provision is repealed, and it would permit the railroads to file a schedule of rates for the competing points that would pay not even the out-of-pocket cost, and the railroads must make up what they lose on these competitive rates by placing higher rates upon the interior section. But even if they should not raise the rates on the interior sections, they will discriminate between the interior and the terminal points by lowering the rates to the competitive points.

The fourth section further provides that no such authorization shall be granted on account of mere potential water competition not actually in existence. That provision is also repealed. In fact, this bill repeals the fourth section in toto. It is an absolute repeal of the fourth section, and it places the railroads back where they were in 1887 before there was any Interstate Commerce Act, and under which practice, without regulation, the railroads, in their cutthroat competition among themselves and for the purpose of running the boats off the rivers and the seas, built up that great monopoly about which something was said today. That is exactly what they want to do again.

This is not a theoretical proposition with my section of the country. We are in the status of the burnt child. We operated under those conditions, as the gentleman from Nevada [Mr. SCRUGHAM] told you, until 1918, and we were suffering because of these discriminatory rates. It retarded the growth of our inland communities and cities. It gave a great advantage to the terminal cities on the coast. We know exactly what that means. That is exactly what they want to do now. You can talk until you are black in the face about the railroads not increasing the rates, but we know they will increase the rates. That is why we are opposing this legislation. It is unfair to discriminate against one community in favor of another community. The railroads must get their volume of business from the interior. They are not seagoing craft. If they would build up their

traffic in the interior, they would not need this relief. [Applause.]

Railroad Coordinator Eastman is emphatically opposed to this bill.

The Interstate Commerce Commission is unanimously opposed to this bill.

There is no governmental agency endorsing this legislation.

The National Farmers Union, the National Grange, the National Farm Bureau Federation are all opposed to this bill.

The farmer is the middleman. He lives at the interior or intermediate point. The farmer lives at the noncompetitive point. The farmer is the one man who pays the freight both coming and going. He pays the freight on everything he buys and everything he sells. The farmer is the man who will be subjected to peak of rates. The farmer is the man who will be called upon to finance the railroads in their proposed cutthroat rate war with the boat lines.

When you talk of shipper, the farmer is the real shipper. He is the man who will pay the bill, and he has a right to be considered.

Passage of legislation such as the Pettengill bill will more than ever center population in the big, congested areas. These big, congested centers will be given the preferential freight rates. That is what the bill is for. It will force greater and greater population congestion in the big cities.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the RECORD a comparative statement as between the fourth section as it now exists and the bill now before the committee.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

PRESENT PROVISIONS OF PARAGRAPH 1, SECTION 4, INTERSTATE COMMERCE ACT, CONTRASTED WITH PROVISIONS OF THE PETTENGILL BILL (H. R. 3263)

PRESENT

SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section; but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuitry, granted authority to meet the charges of a more direct line or route to or from competitive points and to

PROPOSED BY PETTENGILL BILL

SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act

to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act:

Provided, That the Commission may from time to time prescribe the extent to which common carriers may be relieved from the operation of this section:

PRESENT

maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission.

PROPOSED BY PETTENGILL BILL

And provided further, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission:

And provided further, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent further to extend my remarks by printing in the RECORD a letter appearing in the hearings of the committee on this bill at pages 1034 and 1035, written by Mr. W. C. Maxwell, chief traffic officer of the Wabash Railway Co., to Hon. SAMUEL B. PETTENGILL, the author of this bill, showing the interest of the railroads and the author of this bill in this particular legislation, which has not been emphasized in this discussion but which is one of the big considerations back of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The letter is as follows:

CHICAGO, June 12, 1935.

HON. SAMUEL B. PETTENGILL,

Member, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: When at the plant of the Studebaker Corporation at South Bend, Ind., on the 11th, I was informed that they have arranged to send a representative to the Pacific coast to investigate as to the location there of an assembly plant for the Studebaker Corporation.

I told Mr. Paul Hoffman of the hearings before the judicial committee bearing on modification of fourth-section requirements and urged that they withhold their decision for a limited time, as it seemed certain that relief would be granted. Mr. Hoffman said he would phone you at once, therefore you have no doubt been apprised of the situation.

The erection of an assembly plant on the Pacific coast means an investment of capital that it is not necessary to invest, the throwing out of employment of people at South Bend, and further injury to the carriers. It is certain that there would be no change in the relative situation between manufacturers and dealers at intermediate points but, on the other hand, there would be bad effects to the city of South Bend and Indiana as well as to the carriers.

This concrete evidence which has no doubt been confirmed to you direct by Mr. Hoffman, is simply added evidence of what has been going on for many years—i. e., the location of plants or branch plants on the seacoasts—which, in my opinion, has resulted in material decreases in employment in the entire territory, Buffalo, Pittsburgh, and West, all States to and including the Canadian border, South including Kentucky, and as far west as the Missouri River.

I know of a case at Kansas City where they were obliged to locate a branch plant at Berkeley, Calif.

As to the carriers, the biggest taxpayers and employers of any industry, their purchases of material and supplies for the years 1926 to 1930 averaged \$1,300,000,000. These figures fell to \$450,000,000 in 1932 and 1933.

It must be borne in mind that this stream of lifeblood is poured into all classes of industry and although it formerly furnished livelihood for an army of people, it has been pretty stagnant for the last few years.

It is apropos to ask what the States get in the way of taxes and employment from the water lines.

I wish to direct your attention to the fact that the carriers filed an application with the Interstate Commerce Commission January 6, 1933, to reduce the rate on automobiles, set up, from Detroit, South Bend, and all producing points in the eastern section from \$4.65 to \$3.82 per hundredweight. They have been unable up to this time even to get a hearing on that application.

Yours very truly,

W. C. MAXWELL,
Chief Traffic Officer, Wabash Railway Co.

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I represent an area which has always been a victim of discrimination as far as transportation rates are concerned. In that respect it is similar to that represented by the gentleman from Washington [Mr. SAMUEL B. HILL], who has just addressed you, and by the gentleman from Nevada [Mr. SCRUGHAM].

Under the provisions of the fourth section as it stands at present, we have suffered less discrimination than was formerly the case. Consequently the shippers and the public generally in the area which I represent are very apprehensive as to what may happen if this section is repealed and we go back to what were virtually the conditions before we had long- and short-haul legislation. It seems to me very obvious that any system which permits a lower charge for a long haul than for a short haul can only be defended as an emergency proposition. There is no more reason ordinarily why a railroad company should charge less for a transcontinental haul of 3,000 miles than for a haul of a few hundred miles than there is that a dry-goods merchant should charge less for 2 yards of goods than for 1 yard of goods. However, we do recognize that there are competitive conditions in the transportation field which have made it seem necessary at times to provide that in an emergency or under unusual conditions a lower rate should be charged for a longer haul. Under our present fourth section there is no railroad in the country that cannot come before the Interstate Commerce Commission, and if it makes out a case and shows that the rate which it proposes to charge is reasonably compensatory, secure fourth-section relief. The report of the Commission for the year ending October 31, 1935, shows that a large number of cases involving the fourth section were heard during that time and that in a majority of those cases relief was granted. The number of applications filed during that period was 349. The number of orders entered in response to applications was 358, of which only 58 were denial orders, 110 were orders granting permanent relief, and 190 were orders authorizing temporary relief. The number of petitions for modification of orders was 345, of which 295 were granted, 20 were denied, 2 were withdrawn, and 28 are still pending. So the railroads have all the remedy they need under the present law when it comes to securing relief under the fourth section.

The situation is bad enough as it is, I think, and constitutes a very great discrimination against the section of the country in which I reside. The rates on California fruit, for instance, are just as great from the Pacific coast to Hutchinson, Kans., as they are to New York City; and this is the situation that exists on a great many articles of commerce that are shipped from coast to coast. This situation is, however, permissible now, and it is not even necessary to go before the Commission to get permission to put into force inequitable rates like that as long as the rates for the longer haul do not exceed those for the shorter.

It is proposed in the pending bill to give the railroads authority to put into effect lower rates for a long than a short haul without any order by the Commission. The shippers in the affected territory, of course, have a right to come in and bring an action under other sections of the Interstate Commerce Act, and ask for relief, but this puts the burden on the shipper, who in many cases may be a small business man who cannot afford to prosecute these actions, and in the meantime, while the action is pending, the discriminatory rates continue. We ought to leave the

burden of justifying these discriminatory rates on the railroad companies themselves, for they are equipped and able to carry it. There is enough discrimination as it is under the best of circumstances in the area which will be most greatly affected by this legislation, the great middle-western farming area, an area which has always suffered so far as freight rates are concerned.

Practically every great farm organization in this country at some time or other has taken a position against the repeal of the fourth section, and some of them have urged that it be strengthened. The National Grange has repeatedly taken this position. The National Farmers Union, through its secretary, appeared before the Committee on Interstate and Foreign Commerce in opposition to this measure. I have here a resolution adopted at a meeting of representatives of every farm organization in my State, the Grange, the Farm Bureau, the Equity Union, the Farmers' Cooperative Grain Dealers' Association, the Farmers' Cooperative Commission Co., the Kansas Cooperative Creamery Association, the Consumers' Cooperative Association, the Farmers' Union Jobbing Association, the Farmers' Union Managerial Association, representing, so I am informed, 90 percent of the farmers of Kansas, urging that the Pettengill bill be not enacted because of the increased discrimination which would result against agriculture.

I have here a letter from the secretary of the Southern Kansas Millers' Club. The milling industry is one of the great industries in our State, perhaps our most important manufacturing business outside of the oil industry. Kansas millers are in a very severely competitive position so far as transportation is concerned and are quite apprehensive as to what may happen if the fourth section is repealed, because they realize that, as the gentleman from Washington told you a while ago, if you repeal the fourth section, you are going to put the railroads back in the same position they were before we had long- and short-haul legislation; you are going to put them in a position where they will be able to increase still further the burden upon this great midwestern territory where we are dependent entirely upon railroad transportation so far as long-distance carrying is concerned.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I cannot yield.

Mr. Chairman, they are going to put again upon this area the discriminatory burdens which we had to carry before the original long- and short-haul legislation was enacted.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas.

Mr. HOPE. The farmer is more concerned over transportation conditions in this country than anyone else, because upon him falls the burden of paying the freight both ways. He receives for his product the price at the terminal market less the freight; and when he buys he pays the price of the article plus the freight. He is more interested today in this type of legislation than any other class of our citizenship, and I sincerely hope this committee will not approve a bill further increasing his burden in this respect.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I represent a district in the intermountain section of the country which in the old days, before the long- and short-haul clause was the law, felt the evils of the rate-cutting practices of the railroads.

I was very much interested in the statement of one of the eloquent speakers today to the effect that the railroads have received no Government assistance. I know, however, that the great continental railroads were given an empire running through the great States of Minnesota, North Dakota, Montana, and others. The Northern Pacific Railroad, as one instance, was given a land grant which took in every alternate section for 20 miles on each side of its right-of-way.

Today, while I stand here, that railroad company is deriving a great income from oil royalties, from coal royalties, and from the sale of timber and public lands due to the subsidy given them in completing that railroad out there.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Is it not true that the remaining public lands increased in value by the railroad's going through, and is it not also true that the section of the United States that has prospered the least since 1910 is this entire territory? It actually declined in population?

Mr. WHITE. There is a very good reason for that.

Mr. PETTENGILL. Yes; there is.

Mr. WHITE. Mr. Chairman, I want to ask the Members of the Committee if there is any justification for charging more for hauling freight to the intermountain section, Colorado, Idaho, Utah, and Nevada, than to haul freight 300 miles farther to the coast, then charge a back-haul into these intermountain States? For years we tried to get a just rate. The old rate before there was a long- and short-haul section in the Interstate Commerce Act permitted the railroads to charge a rate to the coast and then back again into the intermountain section. This was at the expense of the country I have been talking about and which the gentleman says has not increased in population.

Let me remind the Committee that the traffic which goes to the intermountain section originates not on the Atlantic coast but in the Middle West. We draw our farm implements from Illinois. We draw our corn products from Illinois, our shoes from St. Louis. All this material comes into Idaho, and we are charged more for hauling that freight into Idaho than is being charged to carry it to the coast, and if this bill becomes a law we must pay in addition freight charges back to us again. This bill will make a desert of our country and destroy the business of the great intermountain section of the United States. For that reason we are opposed to any change in the Interstate Commerce Act. The grange in my State, all the farmer organizations, business organizations, and the chambers of commerce are on record opposing this bill. Therefore I ask that the Committee vote against it. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, when the Panama Canal was built there was an understanding in the Middle Western States that there would be a compensation in rail rates to permit the shippers in the Middle West to compete with the Canal. We bore our fair share of the cost of that Canal. But shortly after the Canal was built, which was during the period of the war, particularly when the existing law was enacted, there was no real competition between rail and water at that time, because every ship that was available was being used for service in the Atlantic trade. We needed every inch of shipping space that we could get, both on rail and water; so that the disastrous effects of this revision did not become apparent until after the war.

Mr. Chairman, the situation has changed vastly in the last 20 years. Truck competition, which was then unknown, has sprung up, and in itself is one of the best guaranties against rates becoming too high. They act as a check by the competition which they furnish. The constant breaking down of our railways has had a most unfortunate result in the effect upon the purchasing power of the people, and we feel this particularly in the Middle West. We get a double-barreled effect there. Our industries have been constantly moving away from the Middle West, where they should logically be located on account of its geographical position, to the coasts because they could not compete on transportation costs.

Mr. Chairman, this bill will permit us to simply have a fair basis of competition. It is not discrimination in favor of the Middle West, but, on the contrary, gives us only an even break and an opportunity to continue to do business nationally. Railway labor plays a very important part in stabilizing the wages and therefore the purchasing power of the whole country.

I represent a city which is a very important railway center in this country. As a matter of fact, it was from St. Paul that the transcontinental railroads of the North originated and pushed westward to the Pacific coast. We know the healthy effect of stability of railway labor on the whole labor and industrial structure of this country. Their credit is of the highest order, and because of this their wages turn over at a considerably greater rate than does that, for instance, of the low pay of truck drivers and the uncertain and seasonable pay of those engaged in water-transportation work.

A weakening of the financial structure of our railroads has a very serious and dangerous result in the whole investment and financial field. The stability of all insurance companies, and therefore insurance policies, because of the heavy investment of insurance reserves in railroad securities is threatened. Depositors' money in banks is vitally affected by railway investments. A heavy proportion of people's life savings, trust funds, and institutional endowments is invested in railroad bonds. Therefore the general welfare of the people at large demands the sound economic position of our railroads, and to insure this they must be able to meet on a reasonable basis the rates of competitive transportation systems.

The advocates of water transportation I think are under a misapprehension. I should like to say here that I have always been an ardent advocate of developing our waterways. What I have seen in Europe and the Orient, where they have utilized every possible source of water transportation, convinces me that we will have to do the same thing in this country eventually. I think in just a very few years we are going to strain the railroads to their very limit of capacity in the shipping of the merchandise of this country. I think we are going to use in addition every possible river and waterway that may be developed. As I previously stated, I have always been an ardent advocate of developing our waterways. I still hold to that opinion, but I do not believe that anything which will help business conditions in general is going to hurt the waterways. If we develop industries—and I am talking now particularly of the Middle West—if we develop our industrial life and develop our factories through permitting a larger field of distribution, the water carriers are bound to get their share, and they will prosper in direct proportion to such development. This is not competition in the ordinary sense of the word between rail and the water carriers. This is not going to take business away from them. It is going to create additional business in which they will share. All that this bill really does is to give the railroads an even break with these other competitive forms of transportation that have arisen in recent years and which are unregulated as to rates. They should be brought under exactly the same control as are the railroads. All transportation must be taken as a system, and all of the component parts of that system ought to be under the same regulation. All this bill does is to give the railroads the same opportunity that the water carriers now have. It also puts them in the same position as the trucking concerns.

Let us consider the probable effect of the Pettengill long- and short-haul bill upon the upper Mississippi River, for instance. It should be borne in mind—

First. That the railways could establish rates no lower than absolutely necessary to meet the water competition and obtain a fair share of the available traffic. This would generally mean a rate between water ports via rail somewhat higher than the water-carrier rate, this because of the more frequent and superior rail service. If the railway rate was so low as to jeopardize the water service—such as obtaining all or practically all of the traffic for the railways, then under section 3—the discrimination part of the act and not proposed to be repealed—would come into play because the low rate to the point beyond would be lower than absolutely necessary and the higher rate to the intermediate point would be unjustly discriminatory.

Second. That it is the general practice of the common carriers on the Mississippi—such as the Federal Barge Lines—to make their rates 20 percent less than the rail rates. Except where cutthroat competition occurs between the water

carriers themselves, few of the water rates of common carriers on the inland waterways are made without any reference to those of the rail lines. In those instances where the railways have applied for long- and short-haul relief to meet the competition of rates independently established by the river boats or barges, such rail rates have invariably been on a higher basis than the water rates.

Third. Unless the railways are in a position to promptly readjust their rates between river ports, and contiguous territories, to obtain a fair share of the traffic available, and which is exactly what the water carriers are now freely permitted to do, then it means a monopoly of such traffic for the water lines, except where the railway finds that the loss of revenue to the intermediate points does not offset the gain from the competitive traffic to the points beyond, and therefore does not violate the long- and short-haul rule.

Fourth. There is nothing in the present act to indicate that it was ever the intention of Congress to have such act administered or interpreted so as to legislate the railways out of participation in traffic competitive with water lines through a refusal to permit railways to readjust their rates so as to meet the competition confronting them. On the contrary, the law says that it is the policy to promote in full vigor both rail and water transportation.

This bill is sound, fair, and plain justice. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOUSTON].

THE PETTENGILL BILL TO AMEND PARAGRAPH (1) OF SECTION 4 OF THE INTERSTATE COMMERCE ACT

Mr. HOUSTON. Mr. Chairman, I wish to express my approval of the Pettengill bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, and present some of my reasons therefor.

Samuel O. Dunn, editor of *Railway Age*, recently is quoted as having said that there is very real danger of Government ownership of railways, and that more than one-third of the railroad industry of the United States actually is in bankruptcy, railway operating expenses having increased \$300,000,000 within the last 3 years.

Railroad abandonment in the past 2 years, as authorized by the Interstate Commerce Commission, totaled approximately 5,000 miles. If the railroads are to be abandoned, or taken over by the Government for operation, the first effect will be felt on the farm and by labor, and the final effect on the people of this country as a whole would be a matter of grave concern.

In 1931 the Kansas railways paid in that State taxes amounting to \$8,918,820, of which \$4,648,340, or 52.1 percent, was for public schools; \$1,683,383, or 18.9 percent, was for highways; and \$2,587,097, or 29 percent, was for other governmental purposes. Due largely to decreased traffic and revenues, including the large amounts lost to subsidized water and motor carriers, railway taxes in Kansas had for the year of 1934 dropped to \$6,752,798, but still a very large sum.

Besides contributing heavily to the maintenance of Kansas schools, highways, and other governmental purposes in that State, the railroads employed 30,744 Kansans, the wages of whom amounted to \$51,405,772, and purchases of materials within the State amounted to \$4,896,031. They operated 9,758 miles of road, and their plant and equipment value, or fixed capital, was \$965,470,051.

Their ability to pay taxes, employ people, and purchase materials depends largely upon the amount of traffic they handle and the revenues therefrom. Manifestly, if the Kansas railways are put in a position to again handle traffic which has been lost to competing and subsidized forms of transportation that will be of benefit to all Kansans.

The purpose of the Pettengill bill is to permit the transcontinental rail carriers to compete in some measure with steamship lines operating between the Atlantic and Pacific through the Panama Canal. A substantial volume of railway traffic consists of fruits and vegetables from the West to the East, as well as grain and grain products in the same direction. This results in a very large movement of empty cars from the East to the West. It is very evident that the

railroads should be permitted to fill these empty cars with goods manufactured in the East which are now moving by water to the Pacific coast. Any profit thus acquired would help to bear the burden of operating and maintaining the railway lines which are so indispensable to the vast agricultural interests of the interior country.

It is common knowledge that by far the major part of revenues of the railroads must be used to pay the operating costs, interest, and taxes, and the diversion of traffic to steamships and highways must either result in an increase in freight rates or Government ownership to make up deficits out of taxation.

The amendment to the Interstate Commerce Commission Act will permit the railroads to make such rates as may return to them a considerable volume of the freight traffic which means more tonnage for the railroads to handle, more trains run, more men employed in train service, yards, shops, and track maintenance, and more materials and supplies purchased and used; all of which will work to the advantage of the interior States through which the transcontinental railroads operate.

Some opponents of the Pettengill bill seem to fear that transcontinental railroads may put in effect rates on wheat from the Pacific Northwest which would be detrimental and ruinous to the milling and grain interest of the interior States, but such roads as the Missouri Pacific, Santa Fe, Union Pacific, Rock Island, Southern Pacific, and the northern lines have the greatest investment and enjoy the greatest business in these interior States, and all of them depend largely for their prosperity upon the production of agriculture and agricultural products which originate in the interior territory and general business resulting therefrom, and it seems obvious that to put in effect any rates which would be detrimental and ruinous to the interior country would be a suicidal step; that anything which injured the interior country would at the same time be equally injurious to the carriers serving the territory.

Furthermore, under the terms of the Pettengill bill it will be impossible to institute any rates for transcontinental traffic which would be detrimental to any locality. The Interstate Commerce Commission still has power to prescribe maximum and minimum rates and to see that no railroad shall put into effect at competitive points rates so low as to add to the cost of moving freight to and from interior or intermediate points.

The maritime associations have objected strenuously to the bill, but it has been pointed out that the intercoastal common carriers, which are the object of their solicitude, are shown to have paid only five-hundredths of 1 percent of their revenues in taxes—that is, 50 cents out of each thousand dollars taken in—whereas the railroads pay seventy or eighty dollars per thousand dollars. It will be seen, therefore, that the tax contribution for the support of Government made by the railways per dollar of revenue is approximately 160 times greater than is contributed by the intercoastal common carriers.

It is certain that the intercoastal and other water carriers who have diverted so much traffic from the railways have not made up any part of the loss in taxes in Kansas mentioned at the outset, for such water lines pay but little in the shape of taxes anywhere, and certainly none in the State of Kansas.

I wish to quote excerpts of a letter recently received by me from a resident of Kansas, who, so far as I know, is not connected in any way with the railroads or any other transportation systems, as follows:

I am convinced that the Commerce Act should be amended to relax the very stringent requirements which have worked a hardship on the transcontinental railroads, and thus enable them to increase revenues without harm to the agriculture of the Middle West. Kansas is vitally interested in the railroads and their welfare, and as in the past, this inland country shall have to mainly rely upon them for transportation. You know as well as I, if not better than I, to what extent the products of Kansas are moved to market by the railroads, and it is inconceivable that the volume of our commodities can be handled as satisfactorily and with the dispatch necessary and for the distance required, under any other mode. Hence the ability to render required services is of prime importance to Kansas, and unless the railroads are permitted to

handle all the traffic they can to measurably meet competition and to more fully utilize their facilities in profitable business, their ability to serve the Middle West may be very seriously impaired. As I understand the problem, a certain flexibility as to rates will enable the railroads to increase revenues without detriment to the Middle West, and hence I most earnestly urge that legislation to that end be enacted. Otherwise the prospect seems to be that the Middle West will either have to pay increased tariffs or see the railroads go under Government management, either of which would be calamitous, and both of which may, I believe, be avoided by the exercise of common sense.

These are some of the reasons why I favor the Pettengill bill. I choose the taxpaying railways in preference to the tax-spending water carriers. [Applause.]

Mr. RAYBURN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), had come to no resolution thereon.

THE LONG AND SHORT HAUL FROM THE SHIPPERS' STANDPOINT

Mr. PETTENGILL. Mr. Speaker, in my speech on the long and short haul—CONGRESSIONAL RECORD, page 4126—I spoke of it as primarily a shippers' bill rather than a railroad bill. That, of course, is an accurate description of the bill. The railroads cannot benefit unless the shippers benefit.

It has occurred to me that it will be of interest to list some of the large shippers and shippers' organizations which favor the bill. They come from nearly every State in the Union and represent agriculture, industry, and raw materials.

The attached list is by no means complete, but it is at least representative:

NATIONAL

American Newspaper Publishers' Association.
American Short Line Railroad Association.
Columbian Rope Co.
National Automobile Chamber of Commerce.
Railway Business Association.
United States Chamber of Commerce.
Associated General Contractors of America.
American Association of Railroad Superintendents.
National Lumber Manufacturers Association.
Association of American Railroads.
General chairman, Mutual Association of the O. R. C. of America.
National Advisory Council of Railroad Employees and Taxpayers Associations.
National Industrial Traffic League.
Railway Labor Executives Association, composed of the 21 standard railroad labor organizations, as follows: Brotherhood of Locomotive Engineers; Brotherhood of Locomotive Firemen and Engineers; Order of Railway Conductors of America; Brotherhood of Railroad Trainmen; Switchmen's Union of North America; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; Sheet Metal Workers' International Association; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of America; International Brotherhood of Firemen and Oilers; Brotherhood of Maintenance of Way Employees; Order of Railroad Telegraphers; American Train Dispatchers' Association; International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Railroad Signalmen of America; Order of Sleeping Car Conductors; National Organization Masters, Mates, and Pilots of America; National Marine Engineers' Beneficial Association; International Longshoremen's Association; International Association of Machinists.

REGIONAL ORGANIZATIONS

Central Freight Association.
Eastern Traffic Executives Association, composed of member lines of Trunk Line Association, New England Freight Association, Central Freight Association.
Intermountain Grain Cooperative, Inc.
Intermountain Grain Growers, Inc.
Iowa-Nebraska Cannery Association.
Pacific Coast Transportation Advisory Board.
Red Cedar Shingle Bureau.
Southern Cypress Manufacturers Association.
Southern Freight Association.
West Coast Lumbermen's Association.
Western Association of Railway Executives.
Western Conference Committee of Standard Railroad Labor Organizations.

ARIZONA

Joint Legislative Board of Transportation Brotherhoods.
Gila County Chamber of Commerce.

Yuma Chamber of Commerce.
Graham County Chamber of Commerce.
Wilcox Chamber of Commerce.
Yuma County Board of Supervisors.
Yuma Kiwanis Club.
Yuma 20-30 Club.
Yuma City Council.
City Council of Safford.
Yuma Veterans of Foreign Wars.
Tucson Trades Council.
Tucson labor organizations and auxiliaries.
Douglas Trades Council.
Douglas Women's Club.
American Legion Posts: Morgan McDermott, No. 7; Vicente Manzo, No. 45; Henry Berry, No. 4; and Louis B. Hazelton, No. 53.
Corporation Commission.
Ray Consolidated Copper Co.

ARKANSAS

Stuttgart Chamber of Commerce.
Pine Bluff Chamber of Commerce.
Little Rock Chamber of Commerce.
Arkansas Rice Traffic Bureau.
Arkansas Rice Growers' Cooperative Association.
Henry Wrape Co.

CALIFORNIA

Farm Bureau Federation.
Bakersfield Chamber of Commerce.
Petaluma Chamber of Commerce.
Sebastopol Chamber of Commerce.
Torrance Chamber of Commerce.
Sierra Madre Chamber of Commerce.
Santa Monica Chamber of Commerce.
Ocean Park Chamber of Commerce.
Willits Chamber of Commerce.
Ukiah Chamber of Commerce.
San Francisco Chamber of Commerce.
California Growers and Shippers Protective League.
California Fruit Growers Exchange, Los Angeles.
California Cattlemen's Association.
California Turkey Growers Association.
California Olive Association.
Western Traffic Conference.
Motor Car Dealers Association of San Francisco.
Colima Vegetable Association.
Pacific Railway Club.
Pacific States Butter, Eggs, Cheese & Poultry Association.
Central California Traffic Association.
Redwood City Chamber of Commerce.
San Mateo Chamber of Commerce.
Menlo Park Chamber of Commerce.
Palo Alto Chamber of Commerce.
Chambers of commerce: Antioch, Berkeley, Brentwood, Calistoga, Concord, Hayward, Martinez, Napa, Oakland, Pittsburg, Richmond, St. Helena, San Leandro, Santa Rosa, Walnut Creek, Salinas, Escalon, Oakdale, Sonoma, Tracy, Atwater, Livingston, Los Banos, Manteca, Modesto, Patterson, Ripon, Salida, Waterford, Turlock, Newman, Crows Landing, Merced County, Madera County, Visalia, Exeter, Auburn, Lincoln, Roseville, Redding, Colusa, Woodland, Chico, Red Bluff, Sutter-Yuba, Corning, Oroville, Willows, Truckee, Alturas, Plumas County, Yreka, Arcadia, Anaheim, Brawley, Burbank, Calexico, Calipatria, Corona, Covina, Downey, El Centro, El Monte, Fillmore, Fullerton, Garden Grove, Glendora, Hawthorne, Heber, Holtville, Long Beach, Lompoc Valley, Monrovia, Palmdale, Placentia, Pomona, Pasadena, Redlands, Riverside, Ventura, Reseda, San Diego, San Gabriel, Santa Ana, Santa Barbara, Santa Maria, San Luis Obispo, San Dimas, San Fernando.
Better Business Bureau.
Spanish-American War Veterans.
Merchants Exchange.
Farmers and Fruit Growers Pacific Electric Lodge No. 912.
Brotherhood of Railway Trainmen.
Oakland Lions Club.
Oakland Rotary Club.
Oakland Kiwanis Club.
California Fuel Retailers Association.
Stockton Potato Growers Association.
San Joaquin Marketing Association.
Milk Producers Association of Central California.
Agricultural Council of California.
Railroad Employees National Pension Association.
Roseville Lions Club.
California Fruit Exchange, Sacramento.
California Lettuce Growers Association.
Celery Growers Association.
University of California at Los Angeles.
Santa Fe Masonic group.
Farmers Educational and Cooperative Union.
California Walnut Growers Association.
Alliance of Retail Dealers.
Wholesale Fruit & Produce Association.
Retail Furniture Association.
Manufacturers Association.
San Jose Tractor & Equipment Co.
Valley Meat Co.
Glass Wholesalers Association of Southern California.
Nelson Brokerage Co., Los Angeles.

W. J. Voight Rubber Co., Inc.
Joseph & Katz, factory agents.
Findlay Miller Timber Co.
Gladding-McBean & Co.

COLORADO

Colorado and New Mexico Coal Operators' Association.
Good Will and Boosters' Organization of Union Pacific system.
Colorado State Federation of Labor.
Mayor Benjamin F. Stapleton, Denver.
Colorado Springs Chamber of Commerce.
Denver Chamber of Commerce.
Denver Trades and Labor Assembly.
Holly Sugar Corporation, Colorado Springs.
American Crystal Sugar Co.
Colorado Fuel & Iron Co.
Great Western Sugar Co.
National Sugar Manufacturing Co.

FLORIDA

Jacksonville Chamber of Commerce.
Tampa Chamber of Commerce.
Jacksonville Warehousemen's Association.
Jacksonville Port Bureau.
Jacksonville Traffic Bureau.
Miami Rate and Traffic Bureau.
Tampa Traffic Association.
Florida Citrus Exchange.

IDAHO

State Horticultural Association.
Nampa Chamber of Commerce.
Shippers' Traffic Association.
Montpelier Chamber of Commerce.
Glenns Ferry Chamber of Commerce.
Shoshone Chamber of Commerce.
Idaho Falls Chamber of Commerce.
Pocatello Chamber of Commerce.
American Falls Chamber of Commerce.
Ontario Chamber of Commerce.
Parma Chamber of Commerce.
Blackfoot Chamber of Commerce.
Weiser Chamber of Commerce.
Payette Chamber of Commerce.
Johnson Wholesale Co.
Progressive Irrigation District (600 voters).
Boilermakers' Union.
State Federation of Labor.
Burley Chamber of Commerce.
Shelley Chamber of Commerce.
New Plymouth Chamber of Commerce.
Rupert Chamber of Commerce.
Downey Chamber of Commerce.
Halley Chamber of Commerce.
Boise Central Trade & Labor Council.
Pocatello Trade and Labor Council.
Lions clubs: Soda Springs, Driggs, Paris.

ILLINOIS

Bloomington Association of Commerce.
Illinois District Traffic League.
Joliet Association of Commerce.
LaSalle Chamber of Commerce.
Chicago Heights Manufacturers' Association.
Quincy Freight Bureau.
Springfield Chamber of Commerce.
Illinois Valley Manufacturers Club.
Decatur Illinois Central Service Booster Club.
Carbondale Illinois Central Service Booster Club.
Illinois State Legislature (S. J. Res. 21, Mar. 19, 1935).
Streator Chamber of Commerce.
Advance Foundry Co., Chicago.
J. W. Butler Paper Co., Chicago.
Borin Art Products Corporation, Chicago.
Candy & Co., Chicago.
Chicago Association of Commerce.
B. Heller & Sons, Chicago.
Illinois Commerce Commission.
Illinois Manufacturers' Association.
Material Service Corporation, Chicago.
Old Monk Olive Co., Chicago.
Peoria Association of Commerce.
Peoria Shippers Conference Committee.
Riley Tar & Chemical Co., Chicago.
John Sexton & Co., Chicago.
Supermaid Corporation, Chicago.
Wyckoff Drawn Steel Co., Chicago.
Zion Institutions & Industries, Inc.
American Steel Foundries.
Campbell Soup Co.
James B. Clow & Sons.
Devos & Reynolds.
Fairbanks, Morse & Co.
General Can Co.
Hercules Powder Co.
Inland Steel Co.
Jones & Laughlin Steel Co.
Liquid Carbonic Corporation.
Pepsodent Co.

Albert Pick & Co.
Ramapo-Ajax Corporation.
Western Railway Supply.
William Wrigley, Jr., Co.
Mattoon Association of Commerce.
American Fruit & Vegetable Association, Chicago.
Radio Steel & Manufacturing Corporation, Chicago.
Horders, Inc., Chicago.
National Hardwood Lumber Association.
Allis-Chalmers Manufacturing Co.
Armstrong Paint & Varnish Works.
Armour Leather Co.
Butler Paper Corporation.
Creamery Package Manufacturing Co.
Central Illinois Public Service Co.
Elmont Lumber Co.
W. F. Hall Printing Co.
Nagel-Chase Manufacturing Co.
Mutual Paper Box Corporation.
United Conveyor Corporation.
Vortex Cup Co.

INDIANA

Fort Wayne Traffic Bureau.
Indiana State Chamber of Commerce.
Muncie Chamber of Commerce.
South Bend Chamber of Commerce.
Terre Haute Chamber of Commerce.
Indianapolis Chamber of Commerce.
Indiana Limestone Corporation.
Furniture Manufacturers Association.
Evansville Chamber of Commerce.
Hubbard Steel Foundry Co.

IOWA

Fairfield Chamber of Commerce.
Fort Madison Chamber of Commerce.
Keokuk Traffic Association.
Des Moines Transportation Club.
The Armand Co.
F. W. Fitch Co.
Western Grocers Co.
Chamber of Commerce of Clinton.
Union Starch & Refining Co.
Noblitt Sparks Industries, Inc.
Council Bluffs Local Freight Agents' Association.
Council Bluffs Chamber of Commerce.

KANSAS

Emporia Chamber of Commerce.
Parsons Chamber of Commerce.
Kansas Farmers' Union.
Trans-Missouri-Kansas Shippers' Board.
Joint Labor Legislative Conference (following represented: Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen, Order Railway Conductors, Brotherhood of Locomotive Firemen and Engineers, State Federation of Labor, Kansas Federation of Labor, Masons and Plasterers, United Mine Workers).
Good Will and Boosters' Organization of Union Pacific system.
Miller Provision & Cold Storage Co.
Garden City Co.

KENTUCKY

Transportation Club of Louisville.
W. P. Brown & Sons Lumber Co.

LOUISIANA

New Orleans Association of Commerce.
Young Men's Business League of Vernon Parish.
New Iberia Chamber of Commerce.
The town of Welsh.
Shreveport Chamber of Commerce.
Shreveport Illinois Central Service Booster Club.
Town Clerk Skidmore, Delhi.
Southern Advertising & Paper Co.

MASSACHUSETTS

Associated Industries of Massachusetts.

MICHIGAN

Owosso Chamber of Commerce.
Amalgamated Association Street Railway Employees.
Ann Arbor System Federation, No. 77.
American Legion, Shiawassee County.
Battle Creek Federation of Labor.
Bay City Federation of Labor.
Central Labor Union of Monroe.
Detroit Board of Commerce.
Detroit and Wayne County Federation of Labor.
Flint Federation of Labor.
Grand Trunk Federation of Labor.
International Brotherhood of Teamsters, etc., No. 332.
International Electrical Workers, Detroit.
Jackson Federation of Labor.
Joint Council Truck Drivers, Detroit.
Michigan Farm Union.
Michigan Federation of Labor.
Michigan Railroad Employees and Citizens League.
Veterans of Foreign Wars, Shiawassee County.
Veterans of Foreign Wars Union Organization, Detroit.

MINNESOTA

St. Paul City Council.
 Willmar Chamber of Commerce.
 Staples Commercial Club.
 Warren Commercial Club.
 Fergus Falls Civic and Commerce Association.
 Crookston Moorhead Elevator Co.
 Morris Kiwanis Club.
 Staples City Council.
 North Branch Civic Club.
 St. Paul Northwest Shippers' Advisory Board.
 State legislature.
 Minneapolis Traffic Association.
 St. Paul Association of Commerce.
 Northwestern Retail Coal Dealers' Association.
 Cokato Association.
 Litchfield Commercial Club.
 Dassel Merchants' and Farmers' Club.
 City Council of City of St. Paul.
 President Kaiser, of First National Bank, Bagley.
 Globe Milling Co.
 Farmers' Elevator & Trading Co.
 Monarch Elevator Co.
 Citizens' Transportation League.
 Briceyn Cooperative Canning Association.
 Alexandria Chamber of Commerce.
 Cass Lake Commercial Club.
 Fairmont Canning Co.
 Red Wing Milling Co.
 Mayor J. W. Kirkwood, of Crookston.
 Farmer-Labor Party of Minnesota.

MISSISSIPPI

Clarksdale Illinois Central Service Booster Club.
 Greenville Illinois Central Service Booster Club.
 P. P. Williams Co.

MISSOURI

Sedalia Chamber of Commerce.
 Good Will and Boosters' Organization of U. P. system.
 Cruden Martin Manufacturing Co., St. Louis.
 Long-Bell Lumber Sales Corporation, Kansas City.
 Mexico Refractories Co.

MONTANA

Miles City Elks Club.
 Miles City Federated Shop Crafts C., M., St. P. & P. R. R.
 Miles City C., M., St. P. & P. R. R. Womens Club.
 Fort Denton Commercial Club.
 Browning Lions Club.
 Great Falls Kiwanis Club.
 Cut Bank Lions Club.
 Shelby Lions Club.
 Harlem Lions Club.
 Glasgow Chamber of Commerce and Agriculture.
 Chinook Lions Club.
 Conrad Lions Club.
 Sweet Grass-Coutts Lions International Club.
 Culbertson Commercial Club.
 Stanford Commercial Club.
 Harlowton Chamber of Commerce.
 Central Montana Chamber of Commerce.
 Columbus Civic Club.
 Big Timber Lions Club.
 Big Sandy Local Activity Club.
 Choteau Lions Club.
 Wolf Point Commercial Club.
 Forsyth Lions Club.
 Miles City Council.
 Baker Commercial Club.
 White Sulphur Springs Rotary Club.
 Helena Commercial Club.
 Ismay Commercial Club.
 Miles City Rotary Club.
 Belgrade Chamber of Commerce.
 Miles City Kiwanis Club.
 Livingston Chamber of Commerce.
 Roundup Rotary Club.
 Custer County Commissioners.
 Havre Chamber of Commerce.
 Workers Protective Union of Forsythe.
 Workers Protective Union of Terry.
 Terry Chamber of Commerce.
 Miles City Trades and Labor Council.
 Workers Protective Union of Miles City.
 Gov. Elmer Holt.
 R. J. Klein, justice of the peace, Butte.
 Cascade Milling & Elevator Co.
 Mayor W. E. Martin, Glendive.
 F. A. East & Co.
 N. N. Jensen.
 Butte and Superior Copper Co.
 Poplar Commercial Club.

NEBRASKA

Good Will and Boosters Organization of U. P. system.
 Omaha Chamber of Commerce.
 Aaron Ferer & Sons, Omaha.

NEVADA

Winnemucca Chamber of Commerce.
 Elko Chamber of Commerce.
 Lyon County Chamber of Commerce.
 Minden Rotary Club.
 Minden Commercial Club.
 Tonopah Rotary Club.
 Nevada Consolidated Corporation.

NEW MEXICO

Alpine Chamber of Commerce.
 Carrizozo Chamber of Commerce.
 Marfa Chamber of Commerce.
 Lordsburg Chamber of Commerce.
 Tucumcari Chamber of Commerce.
 Alamogordo Chamber of Commerce.
 Mimbres Valley Farmers Association.
 Chino Copper Co.
 Gallup American Coal Co.

NEW YORK

Williams Traffic Service, Inc., New York City.
 New York City Metropolitan Traffic Association.
 Elmira Chamber of Commerce.
 Thatcher Manufacturing Co.
 United States Rubber Products, Inc.
 Oneonta Chamber of Commerce.

NORTH CAROLINA

Eastern North Carolina Association, Inc.

NORTH DAKOTA

Brinsmade Business Men's Club.
 Carrington Kiwanis Club.
 Minot Association of Commerce.
 White Earth Commercial Club.
 Williston Chamber of Commerce.
 Valley Oil Co.
 Adrian Equity Elevator Co.
 Andrews Grain Co.
 Turtle Mountain Cooperative Association.
 Farmers Cooperative Association.

OHIO

Cleveland Chamber of Commerce.
 Lima Chamber of Commerce.
 Youngstown Chamber of Commerce.
 Mount Washington Civic Club.
 Walnut Hills Business Club.
 Cincinnati Traffic Club.
 Miami Valley Traffic Club.
 Fostoria Pressed Steel Corporation.
 Procter & Gamble Co.
 Toledo Chamber of Commerce.
 Grinnell Co.
 National Malleable Steel Castings Co.
 Perfection Stove Co.
 Dayton Chamber of Commerce.

OREGON

Chambers of commerce: Albany, Grants Pass, Marshfield, Coquette, Bandon, Carlton, Medford, Ashland, Merrill, Bend, Eugene, Klamath Falls, La Grande, Roseburg, and Tule Lake.
 Rogue River Valley Traffic Association.
 Yakima Freight Association.
 Wenatchee Freight Association.
 Hood River Freight Association.
 Portland Cauliflower Growers' Association.
 Portland Berry Growers' Association.
 Oregon Gardeners' Association.
 Northwest Furniture Manufacturing Association.
 Veterans of Foreign Wars, Post No. 922.
 Pendleton Kiwanis Club.
 Veterans of Foreign Wars, Post No. 2471.
 Veterans of Foreign Wars, Post No. 907.
 E. F. Burlingham & Sons.
 Amity Seed & Grain Co.
 Oregon Fuel Merchants' Association.
 Hillman Packing Co.
 Beaverton Chamber of Commerce.
 Corvallis Chamber of Commerce.
 Dallas Chamber of Commerce.
 Enterprise Chamber of Commerce.
 Estacada Chamber of Commerce.
 Forest Grove Chamber of Commerce.
 Gresham Chamber of Commerce.
 Hood River Chamber of Commerce.
 Independence Chamber of Commerce.
 McMinnville Chamber of Commerce.
 Newberg Chamber of Commerce.
 Oregon City Chamber of Commerce.
 St. Helens Chamber of Commerce.
 Salem Chamber of Commerce.
 Sandy Chamber of Commerce.
 Sheridan Chamber of Commerce.
 Tillamook Chamber of Commerce.
 Warrenton Chamber of Commerce.
 City council, Albany.
 City council, Clatskanie.
 City council, The Dalles.

City council, Enterprise.
 City council, Hood River.
 City council, La Grande.
 City council, St. Helens.
 Amity Commercial Club.
 Clatskanie Kiwanis Club.
 Joseph Commercial Club.
 Ladd & Bush, bankers, Salem.
 Lebanon Commercial Club.
 Multnomah Boosters Club.
 Oregon Lumber Co.
 Oregon Portland Cement Co., Portland.
 Oregon State Teachers Association.
 Oswego District Commercial Club.
 Ranier Commercial Club.
 Railroad Brotherhoods Legislative League of Oregon.
 Spaulding Pulp & Paper Co., Newberg.
 United States National Bank, Newberg.
 Willamette Valley Lumbermen's Association.
 Woodburn Business Men's Club.

PENNSYLVANIA

Pittsburgh Chamber of Commerce.
 Hazleton Chamber of Commerce.
 Pittsburgh Traffic Club.
 Leighton Chamber of Commerce.
 Penn State Chamber of Commerce.
 Wilkes-Barre Chamber of Commerce.
 Pittsburgh Wholesale Lumber Dealers Association.
 Commercial Traffic Managers.
 The Koppers Co.

SOUTH DAKOTA

John W. Tuthill Lumber Co.
 A. J. Danks, merchant.

TENNESSEE

Memphis Illinois Central Service Booster Club.
 Tennessee Furniture Corporation.
 Chattanooga Manufacturers Association.

TEXAS

State legislature.
 Chambers of commerce: Austin, Brewster County, Brownsville, Cameron, Edinburgh, Galveston, Harlingen, Lamar, Lott, Marfa, Marlin, McAllen, Mission, Rosebud, Waco.
 Austin Wholesale Credit Men's Association.
 Cameron Lions Club.
 Dallas Cotton Exchange.
 Galveston Cotton Exchange and Board of Trade.
 Mart Chamber of Commerce and Agriculture.
 Sabine District Traffic Club.
 Texas Citrus Shippers' Association.
 Texas Valley Shippers' Association.
 Traffic Club of Dallas.
 Waco Traffic Club.
 Two States Fruit Package Co.
 Winerich Motor Co., Corpus Christi.
 Texas Railroad Commission.
 Ireland School Board.
 Tyler Chamber of Commerce.

UTAH

Ogden Chamber of Commerce.
 Weber County Board of Commissioners.
 Box Elder County Commissioners.
 Price Rotary Club.
 Helper Kiwanis Club.
 Ogden City Commission.
 Provo City Commission.
 Springville City Commission.
 Utah Copper Co.
 Utah Coal Operators' Association, Salt Lake City.
 Pacific States Cast Iron Pipe Co.
 Burton-Walker Lumber Co.

WASHINGTON

Bellingham Chamber of Commerce.
 Centralia Chamber of Commerce.
 Grays Harbor Chamber of Commerce.
 Auburn Chamber of Commerce.
 Longview Chamber of Commerce.
 Seattle Chamber of Commerce.
 Tacoma Chamber of Commerce.
 Northwestern Fruit Exchange.
 Arlington Commercial Club.
 Sunnyside Commercial Club.
 Wenatchee Valley Traffic Association.
 Yakima Fruit Growers Association.
 Yakima Valley Traffic and Credit Association.

WISCONSIN

State Legislature.
 Milwaukee Association of Commerce.
 J. I. Case Co.
 Oscar Mayer & Co.
 South Superior Civic Club.
 Superior Door Catch Co.

WYOMING

Sheridan Chamber of Commerce.
 Casper Chamber of Commerce.

Guernsey Chamber of Commerce.
 Cheyenne Chamber of Commerce.
 Rawlins Commercial Club.
 Green River Commercial Club.
 American Federation of Labor locals.
 Central Labor Union throughout State.
 Sheridan Miners.
 Casper Midwest Oil Workers.
 Veterans of Foreign Wars, Sheridan.

ANNOUNCEMENTS

Mr. GOLDSBOROUGH. Mr. Speaker, I desire to announce that the Representatives from States in the flooded areas will meet in the caucus room of the old House Office Building on Monday afternoon next at half-past 2. Insofar as possible, they will all receive a written notice of the meeting.

Mr. KNUTE HILL. Mr. Speaker, I wish to announce that on Monday, at 10:45 a. m., there will be the unveiling of the Lief Eiriksson painting in Statuary Hall. We invite all the Members of the House and their families to be present at that time.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members who speak on the bill H. R. 3263 and those Members who do not have an opportunity to speak on it may have 5 legislative days within which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some extracts from a statement by the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, this morning when I addressed the House there was objection to my inserting in my remarks some short extracts from newspapers with respect to reciprocal-trade agreements. I have explained them to the gentleman who objected, and he gave me permission to say that he did not object to my including them. I therefore now ask unanimous consent that I may insert these extracts as a part of my remarks.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, to what gentleman does the gentleman from Michigan refer?

Mr. RABAUT. The gentleman from Pennsylvania [Mr. RICH].

Mr. MARTIN of Massachusetts. What about the gentleman from Minnesota [Mr. KNUTSON], who later objected?

Mr. RABAUT. I did not talk with him.

Mr. MARTIN of Massachusetts. I wish the gentleman would withdraw the request, because the gentleman from Minnesota is not present at the moment and I would feel compelled to object in his absence.

Mr. RABAUT. Very well; I withdraw the request, Mr. Speaker.

ELLIS DUKE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "\$1,750" and insert "\$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, March 23, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

729. A letter from the Acting Secretary of the Treasury, transmitting a report of payments of salary, commissions, bonus, or other compensation compiled from income returns as required by section 148 (d) of the Revenue Act of 1934; to the Committee on Ways and Means.

730. A communication from the President of the United States, transmitting a recommendation for an appropriation of \$11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy in Rumania in 1937; to the Committee on Foreign Affairs.

731. A communication from the President of the United States, transmitting a report concerning and a recommendation for payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona; to the Committee on Foreign Affairs.

732. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of \$75,000 (H. Doc. No. 432); to the Committee on Appropriations and ordered to be printed.

733. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1936 and 1937, amounting to \$201,865, and draft of a proposed provision pertaining to an existing appropriation for the Department of State (H. Doc. No. 433); to the Committee on Appropriations and ordered to be printed.

734. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1935 and prior years, in the sum of \$180,049.57, and supplemental estimates of appropriations for the fiscal years 1936 and 1937 in the sum of \$1,896,525, amounting in all to \$2,076,574.57, and a draft of a proposed provision pertaining to an existing appropriation for the Department of Justice (H. Doc. No. 434); to the Committee on Appropriations and ordered to be printed.

735. A letter from the Secretary of War, transmitting a draft of a bill to promote the efficiency of the Army Air Corps; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HAINES: Committee on the Post Office and Post Roads. H. R. 10930. A bill to credit laborers in the Postal Service with any fractional part of a year's substitute serv-

ice toward promotion; with amendment (Rept. No. 2215). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 10717. A bill to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a limited license to practice optometry in the District of Columbia for Welton B. Hutton; with amendment (Rept. No. 2216). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEALEY: A bill (H. R. 11944) granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate free highway bridges across the Merrimack and Connecticut Rivers to replace those destroyed by floods; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLMES: A bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts; to the Committee on Interstate and Foreign Commerce.

By Mr. CULKIN: A bill (H. R. 11946) to provide for the construction of a Coast Guard vessel designed for ice-breaking and assistance work on Lake Huron and Lake Superior; to the Committee on Merchant Marine and Fisheries.

By Mr. CULLEN: A bill (H. R. 11947) to provide for the conveyance of certain property to the city of New York; to the Committee on Public Buildings and Grounds.

By Mr. DIMOND: A bill (H. R. 11948) to extend the provisions of section 23 of the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11949) to create a Federal Foreign Trade Board, to promote the foreign trade of the United States, to authorize the creation of foreign-trade promotion corporations, and for other purposes; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H. R. 11950) to amend the Social Security Act to provide for aid to transients; to the Committee on Ways and Means.

By Mr. McGEHEE: A bill (H. R. 11951) to pay compensation to persons disabled by the use of improperly made Jamaica ginger, and/or to the widows and orphans of such disabled persons; to the Committee on Interstate and Foreign Commerce.

By Mr. DOBBINS: A bill (H. R. 11952) to amend the Foreign Air Mail Act of March 2, 1929, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 11953) to amend the Alaska Mail Service Act of February 21, 1925, as amended, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. HILDEBRANDT: A bill (H. R. 11954) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of West Virginia: Resolution (H. Res. 456) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. RANDOLPH: Resolution (H. Res. 457) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. LEWIS of Maryland: Resolution (H. Res. 458) for the relief of the flood-stricken areas in the State of Maryland; to the Committee on Appropriations.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 534) to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country; to the Committee on Appropriations.

By Mr. FULMER: Joint resolution (H. J. Res. 535) to refund taxes collected under the Bankhead Act and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 536) to provide emergency relief for certain flood victims, and the restoration and reconstruction of certain flood areas; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 11955) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of the heirs of John Stephens, deceased, or their legal representatives, against the United States; to the Committee on the Territories.

By Mr. KINZER: A bill (H. R. 11956) granting a pension to Frances C. Strickler; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 11957) for the relief of Edith Lewis White; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10569. By Mr. PFEIFER: Petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10570. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10571. By Mr. POWERS (by request): Petition of Mrs. Rafe R. Bickford and others of Princeton, N. J., relative to House bill 8739; to the Committee on the District of Columbia.

10572. Also, memorial of the One Hundred and Sixtieth Legislature of the State of New Jersey, requesting the National Government to accept immediate responsibility for relief and employment of transients; to the Committee on Appropriations.

10573. By Mr. WELCH: Petitions referring to legislation regulating the sardine industry on the Pacific coast; to the Committee on Merchant Marine and Fisheries.

SENATE

MONDAY, MARCH 23, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 20, 1936, was dispensed with, and the Journal was approved.

COORDINATION OF EXECUTIVE AGENCIES

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was referred to the Special Committee on Reorganization of the Executive Departments, and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,

Washington, March 20, 1936.

The Honorable the VICE PRESIDENT OF THE UNITED STATES.

MY DEAR MR. VICE PRESIDENT: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of

making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies or such parts of them as may become more or less permanent into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch, it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate already has established a special committee to consider certain aspects of this same problem, and I write to you to ask that the Senate, through its special committee, cooperate with me and with the committee which I shall name in making this study, in order that duplication of effort in the task of research may be avoided and to the end that it may be as fruitful as possible.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Lewis	Pope
Ashurst	Davis	Logan	Radcliffe
Austin	Dickinson	Loneragan	Robinson
Bachman	Donahay	Long	Russell
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkley	Glass	Minton	Truman
Bulow	Gore	Moore	Tydings
Burke	Guffey	Murphy	Vandenberg
Byrnes	Hale	Murray	Van Nuys
Capper	Hatch	Neely	Walsh
Caraway	Hayden	Norbeck	Wheeler
Chavez	Johnson	Norris	White
Clark	Keyes	O'Mahoney	
Connally	King	Overton	
Copeland	La Follette	Pittman	

Mr. LEWIS. Mr. President, I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor in connection with research work having to do with the so-called Reynolds-Starnes bill.

I also announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. McADOO], and the Senator from Washington [Mr. SCHWELLENBACH] are absent because of illness.

I further announce that the Senator from Washington [Mr. BONE], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Wyoming [Mr. CAREY] is necessarily absent.